

**LAKELAND BANCORP, INC.**

**CODE OF ETHICS**

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## I. INTRODUCTION

### A. Administration of the Code of Ethics.

The Board of Directors has adopted this **Code of Ethics** and delegated to the CEO the responsibility for its administration throughout the Company.

It is the responsibility of each Director and Employee to be familiar with this code of business conduct and to abide by the letter and spirit of its provisions at all times. All new Employees are provided with a copy of the Code and are required to complete an Acknowledgment and Agreement of Compliance form at the time of their orientation. Supervisors are expected to make every reasonable effort to ensure that their staff continually is in compliance with the provisions of the Code.

The Board of Directors approves and ratifies this Code annually, and, as part of this procedure, each Director and Employee will be required to annually certify familiarity with the Policy. The Human Resources Department posts the Board-approved Code on the Bank's Intranet, notifies all employees of the requirement to review the entire code and electronically acknowledge and agree to comply, with follow-up to ensure that all employees have electronically acknowledged and agreed.

### B. Definitions.

In this document, the following definitions are used:

Code: The Company's Code of Ethics, as amended from time to time.

Company: Lakeland Bancorp, Inc., Lakeland and/or all direct and indirect subsidiaries currently existing or hereafter formed or acquired which employ personnel or have Boards of Directors.

CEO: The Chief Executive Officer of the Company.

Director; Board(s) of Directors: Includes all members of the Board of Directors of the Company and its banking and corporate subsidiaries, and also includes any member of the board or managers of any subsidiaries that may be organized as limited liability companies.

Employee: Includes all employees and officers of the Company and its Subsidiaries.

Executive Officer: An Employee of the Company who participates or has authority to participate (other than in the capacity of a Director) in major policy making functions of the Company and/or Subsidiaries.

Hedging: Any transaction which results in an economic benefit or profit to a Director, Executive Officer or Employee resulting from the fall or reduction in value of the Company's securities or debt, such as trading in publicly traded options, puts, calls or other derivative instruments related to Company stock or debt.

Immediate Family: Includes father, mother, spouse, civil union partner, children (natural and adoptive), stepchildren, dependents of a Person, any other individual residing in the same household as the Person and any individual or organization that represents or acts as an agent or fiduciary for such individuals.

Insider: Includes an Executive Officer, Director, or Principal Shareholder, and includes any Related Interest of such Person.

Insider Transaction: Includes banking and other business transactions between the Company and its Directors, Executive Officers, Principal Shareholders, and their Related Interests.

Lakeland: Lakeland Bank.

Person: Any individual referred to in the definition section of the Code.

Principal Shareholder: Generally, an owner of more than ten percent (10%) of any class of voting securities.

Related Interest: Includes a company, entity or political campaign committee that is controlled by an Insider or the funds or services of which will benefit an Insider.

Subsidiary: Includes all direct and indirect subsidiaries of the Company currently existing or hereafter formed or acquired.

### **C. General Policies and Guidelines on Legal and Ethical Standards**

Careful observance and compliance with applicable law and regulations and the maintenance of extremely high standards of honesty, integrity, impartiality, and conduct are essential to assure the proper performance of the Company's business in line with our Core Values and maintenance of the public's trust. The preservation of that trust and of the Company's reputation requires close observance of these standards on the part of the Company's Directors and Employees.

All Directors and Employees of the Company are advised of the federal bank bribery law, 18 U.S.C. Section 215, which provides for severe penalties to whoever:

- (1) corruptly gives, offers or promises anything of value to any person, with intent to influence or reward an officer, director, employee, agent, or attorney of a financial institution in connection with any business or transaction of such institution; or
- (2) as an officer, director, employee, agent, or attorney, of a financial institution, corruptly solicits or demands for the benefit of any person, or corruptly accepts or agrees to accept anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of such institution, shall be (guilty of an offense)."

There are certain exceptions to the above rule concerning the receipt of gifts. Please refer to Section IV of this Code.

*VIOLATIONS OF THE PROVISIONS OF THIS CODE MAY RESULT IN SANCTIONS, INCLUDING THE IMMEDIATE TERMINATION OF EMPLOYMENT AS A DIRECTOR OR EMPLOYEE OF THE COMPANY.*

The Company requires that its Directors and Employees avoid possible misconduct and conflicts of interest through informed judgment and careful regard for the applicable standards of conduct and responsibilities described in this Code and elsewhere. In all situations, including those where there are no applicable legal principals or the law is unclear or in conflict, the Company's Directors and Employees are expected to exercise good judgment in the discharge of their responsibilities and conduct themselves in such a manner that is in the best interest of the Company and conforms to the spirit of the Code and other policies.

Compliance with the Code is the responsibility of every Director and Employee of the Company. The needs of the community are to be given consideration in making business decisions.

### **D. Convictions.**

In order to ensure a safe working environment for all of our employees and at the same time comply with regulatory and other requirements, all Directors and Employees are required to immediately

report to the Human Resources Department any and all criminal convictions, guilty pleas or “no contest” pleas involving any criminal charges against such Director or Employee. This requirement covers all crimes including, but not limited to, drug-related matters and crimes involving dishonesty, false statements, fraud or breach of fiduciary duty. Failure to do so will result in disciplinary action, including termination.

## **E. Whistleblower Provision**

### **1. WHISTLEBLOWER PROTECTION**

The Sarbanes-Oxley Act of 2002 (the “Act”) created new whistleblower protections for employees of publicly traded companies. The Act prohibits retaliation of any kind against employees who in good faith engage in certain whistle-blowing activities and provides that employers must not “discharge, demote, suspend, threaten, harass, or in any other manner discriminate against” any employee in the terms and conditions of employment because the employee participates in good faith in lawfully protected conduct that is designed to expose or assist with investigations of federal fraud violations.

Similar to the Act, New Jersey’s Conscientious Employee Protection Act (“CEPA”), also provides certain protection from retaliatory action toward employees who, in good faith, report illegal or unethical work place activities. Additional information on CEPA also is available on the employee bulletin boards at each administrative and branch location of Lakeland.

### **2. POLICY STATEMENT**

It is the responsibility of all Directors and Employees of the Company to maintain the highest ethical standards, including appropriate accounting and internal financial controls. To this end, all Employees shall submit, in good faith, items of ethical concerns and suspected misconduct or policy violations, including without limitation: concerns regarding financial and other disclosures, internal accounting and disclosure controls, questionable accounting or auditing matters or other violations of the Company’s Code or other policies, and such matters described in:

- i. Section 806 of the Act (wire fraud, mail fraud, bank fraud, and securities fraud), violation of any U.S. Securities and Exchange Commission (“SEC”) rule or regulation, or any federal rules relating to fraud against shareholders,
- ii. Section 301 of the Act (questionable accounting, internal controls, and auditing matters),
- iii. Item 406 of Regulation S-K (conduct that is not honest and ethical, conflicts of interest, and disclosures in SEC reports and other public disclosures that are not full, fair, accurate, timely, and understandable),
- iv. The NASDAQ proposed listing standards (conflicts of interest and violations of laws, rules, regulations or the code of ethics), and
- v. CEPA.

In accordance with applicable law, the Company will not permit retaliation of any kind against an Employee who, in good faith, files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed or about to be filed regarding any matter covered in these procedures. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any Employee in the terms and conditions of employment based upon any lawful actions of such Employee with respect to good faith reporting of complaints regarding the above described items or otherwise.

The Company will attempt to maintain, if requested, the anonymity of the reporting individual and the confidentiality of the information that is reported. However, it should be noted that in order to conduct an effective investigation, it might not be possible to maintain confidentiality and anonymity in all instances.

Conduct that may violate the Code but does not involve violations of applicable securities laws and regulations, accounting standards, accounting controls and audit practices and other public

disclosures (“Accounting Matters”) may appropriately be reported to Company personnel specially trained in receiving and dealing with such complaints. For example, harassment violations typically are reportable to the First Senior Vice President - Director of Human Resources. Other matters may be reported to the CEO, any Executive Vice President, the General Counsel or the Senior Vice President of Internal Audit. In the event that a good faith complaint involves a violation of Accounting Matters or non-Accounting Matters by the CEO, the Employee may direct the communication to the Audit Committee pursuant to the procedures outlined below.

### 3. WHISTLEBLOWER PROCEDURES

The following procedures have been designed to encourage individuals to come forward with good faith concerns (including anonymous complaints), to assure individuals of protection against retaliation, and provide for prompt investigation and correction of any raised concerns, while ensuring that the Company’s Audit Committee receives a report of all Employee complaints involving possible violations of Accounting Matters.

- i. The financial matters of the Company are expected to be fairly and accurately reported and in compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices (the “Standards”). Prohibited activities, such as fraud and the misrepresentation of financial records, will not be tolerated and violators will be subject to prosecution to the fullest extent of the law.
- ii. The Company encourages all individuals to raise good faith concerns they have regarding any suspected violations of the Standards by reporting them as outlined in this procedure. It is further noted that individuals have a responsibility to report suspected violations and that reporting suspected violations anonymously is sufficient.
- iii. A complaint can be made by telephone, e-mail, or mailed directly to the Chief Executive Officer (CEO), Chief Operating Officer (COO), General Counsel, the Director of Human Resources or the Chief Audit Officer. Upon receipt of complaints, recipient shall notify the Chief Audit Officer and determine whether the complaint pertains to Accounting Matters. When possible, the recipient shall acknowledge receipt of the complaint to the sender.
- iv. In addition, a post office box has been established at the Oak Ridge Post Office for communications to the Audit Department and/or to the Audit Committee.

Audit Department Lakeland Bancorp, Inc. P.O. Box 146 Oak Ridge, New Jersey 07438	Audit Committee Lakeland Bancorp, Inc. P.O. Box 146 Oak Ridge, New Jersey 07438
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- v. The post office box shall be monitored on a bi-weekly basis. Any mail received through the post office box will be delivered unopened to the addressee with receipt recorded in the Whistleblowers Correspondence Log maintained by the Audit Department. Please mark the envelope “Personal and Confidential”.
- vi. Complaints pertaining to Accounting Matters shall be reviewed under Audit Committee direction and oversight by the General Counsel and Chief Audit Officer or such other persons as the Audit Committee determines to be appropriate. Any allegations shall be discussed with the General Counsel and Director of Human Resources by the Chief Audit Officer. This group should determine who will coordinate the investigation based on its nature. To the extent that the allegations involve one of the three parties, that party shall be excluded and the COO should be substituted.
- vii. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee, in conjunction with the General Counsel or Chief Audit

Officer and shall, when possible, coordinate with the General Counsel and Director of Human Resources to report to the complaining Employee the action taken in response to a complaint.

- viii. The Chief Audit Officer shall maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a summary report thereof for the Audit Committee. Copies of complaints, responses and log shall be maintained in accordance with the Company's document retention policy.
- ix. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any Employee in the terms and conditions of employment based upon any lawful actions of such Employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise.

## **II. CONFIDENTIALITY OF INFORMATION / PRIVACY**

### **A. Policy Statement**

The use of confidential information obtained through or as a consequence of employment by the Company must be limited to the proper conduct of the Company's business. All information concerning the Company's customers, prospective customers, vendors or agents, or their accounts or transactions with the Company, including but not limited to their financial, business and credit information, and all non-public information regarding the Company's business, finances, systems, procedures and intellectual property, is considered "Confidential or Proprietary Information." Employees must safeguard all such Confidential or Proprietary Information in accordance with applicable law, the Company's policies, as amended from time to time, and any applicable confidentiality/non-disclosure agreements or arrangements that the Company may have with third parties. Confidential or Proprietary Information shall be safeguarded, maintained and used in accordance with applicable law solely for purposes of conducting the Company's business, and shall not be used, disclosed, sold, given or exchanged to benefit any other party.

### **B. Company Policy**

It is the policy of the Company that all Directors, Employees and other representatives may only use, or permit others to use, Confidential or Proprietary Information in accordance with regulatory requirements and Company policies, which include the following policies and procedures that are referenced and incorporated as part of the Code:

1. Privacy of Consumer Financial Information. (Refer to Privacy and Confidentiality of Consumer Financial Information Policy). Regulation P governs the treatment of nonpublic personal information about consumers by financial institutions.
2. Information Security & Customer Data Privacy. (Refer to Information Security and Customer Data Privacy Policy). Requirements include:
  - Assurance of the security and confidentiality of customer information;
  - Protection against any anticipated threats or hazards to the security or integrity of customer information; and
  - Protection against unauthorized access to or use of customer information that could result in substantial harm, or inconvenience, to any customer.
3. Employee Guide to Information Security.

## **III. CONFLICT OF INTEREST**

### **A. Company Policy.**

It is the policy of the Company that all Directors, Employees and all Persons must avoid potential conflicts of interest in order to ensure the high standards of conduct and personal integrity essential for the Company to maintain the confidence of its customers, Employees and the general public. A potential conflict exists whenever a Director, Employee or Person has an outside interest – direct or indirect – which conflicts with their duty to the Company or Subsidiary or adversely affects their judgment or the discharge of their responsibilities. All Persons also should be aware that the appearance of a conflict of interest may be just as damaging to the Company's reputation as an actual conflict. In no event is an Employee to perform maintenance to their own accounts or conduct their own transactions. Further, in no event is an Employee to inquire on or perform maintenance to the accounts of, or conduct transactions on behalf of relatives or any other person with whom they have, or have had, a close relationship.

Directors, Employees and Persons are:

1. To act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships;
2. To act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be affected, impaired or compromised;
3. To endeavor to deal fairly with the Company's customers, suppliers, competitors and other Employees. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material fact, or any unfair-dealing practice;
4. Prohibited from self-dealing, Hedging (such as short sales or trading in any options contracts involving our securities) or otherwise trading on their positions with the Company or accepting from one conducting or seeking to conduct business with the Company a business opportunity not available to other persons or that is made available because of such Person's position with the Company; and
5. Prohibited from using the name of the Company or that of a Subsidiary to enhance their own opportunities when dealing with others in their political, investment or retail purchasing activities.

Any violations or suspected violations of criminal law, as soon as it is discovered, shall be reported by: (a) Directors to the Chairman of their respective Boards; and (b) Employees to the CEO. As applicable, the Chairman or CEO shall cause the suspected violation to be investigated and, depending upon the findings of such investigation and as and where appropriate, reported to the applicable regulatory agencies, as required by law, appropriate law enforcement agencies and insurance carriers and bonding companies.

In the event that an actual or potential conflict of interest arises involving an Employee, its nature and extent should be fully disclosed immediately to the Employee's immediate supervisor, and in the case of an Officer to the CEO who, after making a thorough review of the circumstances, shall determine the appropriate course of action to be taken. In the case of actual or potential conflict of interest arises involving an Executive Officer, the CEO will report to the Audit Committee which will determine appropriate action to be taken. Officers and Employees must disclose all potential and actual conflicts of interest, including those in which they have been inadvertently placed due to either business or personal relationships with customers, suppliers, business associates or competitors.

In the event of an actual or potential conflict of interest involving a Director, its nature and extent should be fully disclosed immediately to the Board of Directors, which shall inform the CEO of such conflict and the action which shall be taken.

**B. Fiduciary Appointment.**

Except for a member of an Employee's immediate family, prior approval by the CEO or an EVP is required before an Employee may accept an appointment as a fiduciary or co-fiduciary (executor, administrator, guardian, or trustee) of customers of Lakeland.

To avoid the appearance of any impropriety, Directors should exercise reasonable caution in accepting appointment as a fiduciary or co-fiduciary, executor, administrator, guardian, or trustee of a customer of Lakeland.

**C. Beneficiary (or Legatee) Under a Will or Trust.**

Employees must report to their supervisor any gift of a beneficial interest or legacy under wills or trusts of customers of Lakeland, other than a relative, at such time as the Employee learns of the gift or designation. The objective of this notification requirement is to allow for consideration of all the facts in each case to make certain that the Employee has not received the benefit by reason of undue influence and that a reasonable, disinterested third party could not allege a conflict of interest upon the Employee in receipt of the benefit. Prior approval by the CEO or an EVP is required before an Employee may accept such a gift or designation.

If this reporting requirement results in a decision that a real or apparent conflict exists or could exist, the Officer or Employee will be expected to make every effort to be relieved of the expectation of benefit and shall be required to disclaim and renounce the benefit or gift.

**D. Lending Relationships.**

It is the policy of the Company that lending services are available to serve the legitimate and deserving credit needs of all customers on an equal basis. Loan terms and conditions shall be based upon a borrower's credit-worthiness.

1. Prohibited Lending Practices.

Lending Officers are not permitted to process loan applications or to extend credit to members of their Immediate Family or to such other family members and relatives in accordance with the restrictions set forth in Lakeland's Loan Policies and Procedures, as amended from time to time. For the purpose of this section only, the definition of "Immediate Family" includes grandparents, aunts, uncles and siblings, as well as those persons listed in Section I, "Introduction." Any such loan application must be handled solely by another Lending Officer

Lending Officers are not permitted to extend credit to companies in which the Lending Officer has an interest as a director, officer, controlling person, partner, or as an investor, or in which a member of the Lending Officer's immediate family has such an interest.

No loans to Directors or Employees will be made under terms and conditions different from those stated in the Lending Policy of the Subsidiary granting the loan. Documentation for Employee or Insider transactions will be the same as required for all transactions involving non-Employees and non-Insiders.

Under no conditions shall an Employee or Insider be permitted to be present during the approval process of any transaction from which the Employee or Insider will benefit directly or indirectly based on their affiliation with the entity being discussed.

2. Arm's Length Credit Underwriting.

Federal Reserve Regulation O (Loans to Executive Officers, Directors, and Principal Shareholders) prohibits institutions from extending credit to Insiders at interest rates, or on terms,

more favorable than those available to non-Insiders in comparable transactions. The Company must also use credit underwriting procedures that are not less stringent than those applicable to non-Insiders. In addition, the Bank may not extend credit involving more than a “normal risk of default.”

**E. Outside Employment.**

Employees should carefully scrutinize outside employment, including the performance of any services for compensation, to avoid potential conflicts of interest and excessive demands on their time. Outside employment may not be undertaken if it will interfere with job performance or have the appearance of a conflict of interest with the Company.

In particular, Employees should be aware of various statutes and regulations either prohibiting or restricting dual service, employment or rendering of services in the financial industry, including service as a director, officer or employee of any other unaffiliated commercial bank, banking association, trust company, savings bank, savings and loan association or credit union or an organization primarily engaged in the issuance, underwriting, public sale or distribution of stocks, bonds or other securities.

**B. Participation in Public Affairs.**

It is the philosophy of the Company to encourage on the part of its Employees a full awareness of and interest in civic and political responsibility. Each Employee shall have the opportunity to support community activities or the political process, as he or she desires.

Voluntary efforts for civic activities shall take place outside of regular business hours and shall not interfere or otherwise adversely affect the Employee’s performance of their duties and responsibilities.

Neither the Company nor any Person acting on its behalf shall establish any program to solicit, collect or distribute political contributions from a Person. No Person shall be under any obligation of any kind to utilize their compensation to make political contributions and no Person or other Person acting on behalf of the Company’s behalf shall seek to create or enforce any such obligation. Further, in order to ensure compliance within the complex framework imposed by state and local pay-to-play laws, the executive officers and directors (or their spouses or members of their households) of the Bank should not make any contributions to state, county or municipal political candidates or state, county or municipal political parties that collectively exceeds \$300 per candidate (or their election committee) for any election cycle or \$300 per political party for any calendar year. For example, executive officers and directors should not make contributions of more than \$300 in the aggregate to any political candidate or their election committee during the general election campaign. (In the event that you have any questions regarding the laws described above, please contact either the Bank’s General Counsel or Compliance Officer.)

Nothing contained in this section is intended to discourage Persons from active personal involvement in the political process, including the making of personal political contributions, or to otherwise limit the rights and obligations of Persons as responsible citizens. Notwithstanding the foregoing, this Code (i) requires that before a Person seeks or accepts a nomination or appointment to any public office, whether paid or unpaid, that Person must first obtain the Company’s prior approval (which shall be presented to and reviewed by the Human Resources Department); and (ii) prohibits political campaigning, wearing and/or displaying political campaign slogans, distributing political literature, and/or soliciting campaign funds at or in the work place.

**C. Corporate Directorships, Public Offices and Commissions**

Directors and Employees must be constantly aware when considering election or appointment to corporate boards, public offices, or commissions that serving in such capacity will not place them in a position where a potential conflict of interest may exist. As noted above, Directors and Employees should be aware of various statutes and regulations that prohibit or restrict dual service in the financial industry,

including service as a director of any other unaffiliated commercial bank, banking association, trust company, savings bank, savings and loan association or credit union or an organization primarily engaged in the issuance, underwriting, public sale or distribution of stocks, bonds or other securities.

Unless specifically approved by the CEO and/or the Board of Directors, no Director or Employee shall serve on the board of directors of any financial services entity, which is in direct competition with the Company. If a conflict or regulatory issues associated with such services or appointment develops, the Company reserves the right to request the Director or Employee involved to divest themselves of one of the conflicting interests. In like manner, no director, officer, employee or substantial shareholder of another company shall be permitted to serve as a director of the Company or any Subsidiary where such circumstances exist.

#### **IV. IMPROPER USE OF CORPORATE POSITION OR PROPERTY**

##### **A. Receipt of Gifts.**

The Company expects all Directors and Employees to conduct themselves in accordance with the terms and spirit of the Code and, as applicable, render efficient and courteous service to its customers without expectation of reward for such service. To avoid the appearance or implication of impropriety, it is important that each Person decline any gifts (except as permitted below) that, if accepted, could be perceived by others as an attempt at or improper influence.

It is recognized, however, that certain gift giving in connection with the business of the Company may occur without the intent to influence or reward corrupt or improper activity. Exceptions to the general prohibition of accepting things of value in connection with the business of the Company include acceptance of non-cash items which are:

1. Based on obvious family or personal relationships (such as those between parents, children, or spouse of a corporate official) where the circumstances make it clear that it is those relationships, rather than the business of the Company, which are the motivating factors;
2. Meals, refreshments, entertainment, accommodations or travel arrangements, all of reasonable value, in the course of a meeting or other occasion, the purpose of which is to hold *bona fide* business discussions or to foster better business relations, provided that the expense would be paid for by the Company as a reasonable business expense if not paid for by another party. Such expenses shall not exceed a value of five hundred dollars (\$500.00);
3. Advertising or promotional material of reasonable value, such as pens, pencils, note pads, key chains, calendars and similar items; Discounts or rebates on merchandise or services that do not exceed those available to other customers;
4. Gifts of reasonable value that are related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, holiday or birthday, provided, however, such gifts shall not exceed a value of two hundred and fifty dollars (\$250.00);
5. Gifts of reasonable value that are related to recognition of service and accomplishment (such as civic, charitable, educational, or religious organization awards); provided, however, such awards shall not exceed a value of two hundred and fifty dollars (\$250.00); and
6. Not intended to influence any decision by the Person, unsolicited, infrequent and not a *quid pro quo*.

*UNDER NO CIRCUMSTANCES SHALL ANY PERSON ACCEPT ANY CASH OR ANY OTHER FORM OF MONEY AS A GIFT FROM A CUSTOMER OR VENDOR.*

Except as specifically provided above, if an Employee is offered or receives something of value from a customer or vendor, the Employee immediately must disclose such facts to the CEO, an Executive Officer or the First Senior Vice President - Director of Human Resources. The Company will keep written reports of such disclosures in accordance with its record retention policies. Management will review the disclosures to determine whether or not what is offered or accepted is reasonable, with due consideration to the criteria for permissible gifts and whether receipt poses a threat to the integrity of the Company, and shall take such necessary and appropriate action following such review.

#### **B. Preferential Treatment.**

No Director or Employee of the Company shall acquire, or appropriate to his or her own personal use, any Company property, service, or profits opportunity on the basis of, or under situations not available to, members of the public. If a business opportunity relating to the Company's lines of business becomes available to or made known to a Person, it must first be made available to the Company before being acted upon by that Person, their Immediate Family, Related Interests or other Person or party without prior approval by, in the case of a Director, the Board of Directors, and in the case of an Employee, the CEO or an Executive Officer. Use of Company facilities, real or personal property, or personnel must be approved in advance, in the case of a Director by the Board of Directors, and in the case of an Employee by the CEO.

#### **C. Prohibited Contributions.**

Funds of the Company and its Subsidiaries shall not be used for the purpose of making contributions or expenditures in connection with elections to any local, state, and federal office.

#### **D. Corporate Communications.**

The CEO, Chief Financial Officer, Chief Operating Officer, General Counsel or their designees, are the only authorized spokesperson for all corporate communications that may be received from the press, unaffiliated entities, individuals or investors regarding the Company's business activities. Such communications involve exposure to certain risk, including legal and reputational risk, and it is critically important that, unless approved in advance by the CEO, Chief Financial Officer, Chief Operating Officer, General Counsel or their respective designees, that all Persons refrain from conducting interviews with the media, publishing articles in various publications, presenting at industry conferences or engaging in similar public communications in any manner reflective of or relating to their association with the Company or Subsidiaries. Employees also are cautioned to ensure that their publicly disseminated communications involving or relating to the Company, whether during or after work hours, reflect positively on the Company and do not disclose confidential or sensitive information of the Company or its customers, defame customers, Directors, Executive Officers or other Employees or otherwise expose the Company to the risks described above or violate Company policies.

The intent of this Policy is to minimize the risk to the Company, its customers and other parties described above - not to restrict the flow of useful and appropriate information, communications or activity permitted under Section 7 of the National Labor Relations Act.

All media or similar inquiries must be reported to the CEO, or the CEO's designees, immediately after an inquiry is received by a Person.

#### **V. BORROWING**

Persons and their Immediate Families should borrow only from reputable organizations, which regularly lend money. Borrowings from any financial institution, including correspondent banks and their

subsidiaries, must not involve favored treatment of any kind and should be obtained on substantially the same terms, including rate of interest, as prevailing at the time for comparable loans to other borrowers. Borrowing from relatives is not subject to the above restrictions.

Subject to the limitations set forth herein and the Company's other policies, Directors and Employees are welcomed and encouraged to open the same kinds of accounts, and apply for the same types of loans and other financial products, as Lakeland offers to its other customers.

In accordance with the restrictions set forth in Lakeland's Loan Policies and Procedures, as amended from time to time, all applications for loans to officers, other than Executive Officers, must be submitted to the Chief Loan Officer or Chief Operating Officer or Chief Credit Officer or the President & CEO for review and recommendation and approval up to her or his individual lending authority. Additionally, any loan made to a Lending Officer, or such Lending Officer's relative (no matter how distant) must be assigned to the Chief Loan Officer. Loans to the Chief Loan Officer, or relative, must be assigned to the CEO or his designee.

Prior to approval of any loans to an employee, the respective Loan Department will submit appropriate loan documentation to Human Resources for completion and verification.

Borrowing by Executive Officers must be approved in advance by the Board of Directors of the lending subsidiary. Applications, financial statements and other documents, which apply to any other borrower, must accompany all requests. These loans are subject to Regulation O.

No Insider shall receive (or knowingly permit any of that Person's Related Interests or Immediate Family to receive), directly or indirectly, any extension of credit not authorized by Insider lending rules. Note that Regulation O excludes certain insider obligations to a bank from what would otherwise fall within the definition of extension of credit. The two principal exceptions are an indebtedness of \$15,000 or less as an open end credit card or credit line and indebtedness of \$5,000 or less as an interest bearing overdraft credit plan or line.) All such loans must be at the terms and conditions comparable to those prevailing for the public at large. (Refer to Regulation O – Insider Lending Policy)

As a condition of employment, the Board of Directors may require a current financial statement and/or a credit report of any Officer at any time.

## **VI. RELATIONSHIPS WITH COMPETITORS**

In providing its full range of financial services, the Company engages in vigorous, yet fair and open, competition. All Directors and Employees are expected to observe the highest standards of ethical conduct in relationships with competitors. It is the Company's policy to emphasize the quality and competence of services and Employees rather than to criticize those of competitors.

Directors and Employees are prohibited from entering into arrangements with competitors for the propose of setting or controlling prices, rates, trade practices and marketing policies, and from disclosing to competitors confidential and proprietary information or future plans of the Company which have not been disclosed generally to the public.

## **VII. CONDUCT OF PERSONAL FINANCE**

Each Director and Employee will be expected to monitor his/her personal conduct and finances in a prudent manner so as not to bring discredit to themselves or the Company. For example, by avoiding any circumstances that may lead to over extension of credit or salary attachments or drawing checks against insufficient funds or other financially imprudent or embarrassing situations. In the unfortunate circumstance that a Director experiences deteriorating or tenuous financial condition, such as a filing for bankruptcy or defaulting on a loan to the Company, or is subject to prosecution for a crime of financial mistrust, he or she promptly shall discontinue involvement with the Company through voluntary resignation or removal.

**A. Overdrafts**

**1. DIRECTORS AND EXECUTIVE OFFICERS.**

As noted above, Regulation O imposes additional restrictions on overdrafts involving Directors and Executive Officers beyond those imposed by Lakeland's policies covering Employee Overdrafts.

Lakeland is prohibited from paying an overdraft of any Executive Officer or Director except: (1) when payment is made pursuant to a written pre-authorized overdraft checking agreement or a transfer agreement for funds to be transferred from another account maintained at Lakeland, or (2) for the payment of inadvertent overdrafts on an account totaling \$1,000 or less, as long as the account is not overdrawn for more than five (5) business days and provided the same fees are charged to that Executive Officer or Director as any other customer of Lakeland in similar circumstances. This restriction does not apply to principal shareholders or related interests of any insider. Please refer to the Lakeland's Overdraft Policy for monitoring and approval procedures.

**2. EMPLOYEE OVERDRAFTS.**

With regard to employee overdrafts, each Employee has the opportunity to maintain a checking account with Lakeland for the deposit of payroll proceeds, which account may be closed in the discretion of Lakeland. In accordance with this Code, Employees are expected to manage their finances, and their accounts with Lakeland, in a fiscally responsible manner. Gross mismanagement of employee deposit accounts may be grounds for closing the account and possible sanctions, including termination. Please refer to Lakeland's Overdraft Policy for monitoring and approval procedures.

**VIII. WORKPLACE HARASSMENT POLICY**

The Company provides equal employment opportunities for all applicants and Employees. In keeping with this policy we believe that everyone has the right to work in an environment free from all forms of harassment, discrimination or disrespectful conduct, including freedom from sexual harassment.

It is the responsibility of all managers, supervisors, Officers and Employees to create a work environment where sexual harassment will not interfere with the integrity of the work place. The Company will not tolerate sexual harassment of Employees or applicants by fellow Employees, supervisors, clients or vendors.

Some examples of sexual harassment are:

- ♦ Unwelcome or unwanted sexual advances, such as: patting, pinching, brushing up against, brushing, cornering, kissing, fondling or any other similar physical contact considered unacceptable by another individual.
- ♦ Requests or demands for sexual favors, such as: subtle or blatant expectations, pressures or requests for any type of sexual favor accompanied by an implied or stated promise of preferential treatment or negative consequences concerning one's employment.
- ♦ Verbal abuse or kidding that is sex-oriented and considered unacceptable by another individual such as: comments about an individual's body or appearance (where such comments go beyond a mere compliment), telling off-color jokes or showing sexually oriented cartoons or offensive pictures that are clearly unwanted or considered offensive by others or any other tasteless, sexually oriented or flirtatious comments, innuendos or actions that offend others.
- ♦ Creating a work environment that is intimidating, hostile or offensive due to unwelcome or unwanted sexually oriented conversation, suggestions, advances, requests, demand for physical contact, flirtations or attention.

Any and all incidents of alleged harassment must be reported to the First Senior Vice President - Director of Human Resources. All complaints will be investigated and the company will take all appropriate and immediate steps necessary to correct the situation. Disciplinary actions up to and including termination may be taken where violations are found to have occurred.

## **IX. EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT**

### **A. Company Policy.**

The Company reaffirms its policy of equal employment opportunities for all qualified individuals without discrimination because of race, color, religion, gender, gender identity or expression, age, national origin, marital, civil union or domestic partnership status, sexual or affectional orientation, disability, veteran status or other basis prohibited by law. Underscoring this policy is the Company's strong concern for each Employee's dignity and well-being and its commitment to provide for a safe, productive and professional work environment.

### **B. Scope.**

Every effort is made to assure that the Company's policies regarding hiring, salary administration, promotion and transfer are based solely on job requirements, job performance and job related criteria. In addition, our personnel policies and practices – including those relating to compensation, benefits, transfer, retention, termination, training, self-development opportunities, as well as social and recreational programs – are administered without discrimination on the basis of race, color, religion, gender, gender identity or expression, age, national origin, marital, civil union or domestic partnership status, sexual or affectional orientation, disability, veteran status or other basis prohibited by law.

### **C. Application and Responsibilities.**

The Company's continued success in affirmative action depends in large measure not only on the commitment and involvement of those directly responsible for the program's implementation but also on the dedication of all Employees. Assuring equal employment opportunity is a fundamental and direct responsibility of all levels of management. Managers and department heads are required to comply with government regulations and also the affirmative action goals of the Company.

The following practices and conditions will prevail to underscore our commitment.

- The Human Resources Department, in conjunction with each manager and department head, specifically will be responsible for making sure that those in positions to influence employment and personnel decisions are aware of, and comply with, the policy and goals.
- In order to maintain a work environment which does not permit conduct that abuses the dignity of any individual through ethnic, sexual, racial, or other discriminatory forms of harassment, incidents will be dealt with promptly and disciplinary action will be taken as necessary, up to and including termination. The Workplace Harassment Policy is set forth in Section VIII of the Code.
- Various recruitment sources will be utilized to broaden the consideration of qualified applicants from all segments of the community.
- Reasonable accommodations will be made for disabled employees or applicants and for each Employee's religious observance as permitted by sound business practices.
- Formal action programs established to comply with applicable equal opportunity laws and regulations will be continued.