

**LAKELAND BANCORP, INC. AND LAKELAND BANK
LUXURY EXPENDITURE POLICY**

Entertainment or events. Lakeland Bank will continue to monitor and control expenditures associated with staff participation in entertainment events while entertaining customers and staff attending seminars. Approval for these expenses will be required by the EVP in charge of the business unit; any expense item over \$10,000 requires the approval of the President.

Office and facility renovations. Lakeland Bank has established standards that the facilities team adheres to; should there be a request to deviate from the normal, approval from the Sr. EVP COO or the President is required.

Aviation or other transportation services. Lakeland Bank staff members may fly coach, and transportation to and from airports for events will require the approval of the business unit EVP; any expense item over \$10,000 requires the approval of the President. All travel expenditures must be associated with an industry related conference or event.

Other activities or events that are not reasonable expenditures for the development of staff, reasonable performance incentives, or other similar measures conducted in the normal course of business operations, will be avoided.

All employees of Lakeland Bank, its parent and subsidiaries are subject to this policy and will be held accountable for compliance with this policy. Any violations or suspected violations of this policy shall be reported promptly in accordance with the procedures set forth in the Code of Ethics.

The requirements for TARP recipients continues to evolve and Lakeland Bank intends to comply with these requirements as they become effective; therefore, this policy will be amended from time to time as necessary to remain in compliance with the regulatory changes.

Board Approved June 9, 2010 (as part of Purchasing Policy)