



## **PEAPACK-GLADSTONE FINANCIAL CORPORATION**

### **CORPORATE GOVERNANCE PRINCIPLES**

#### **POLICY STATEMENT**

These Principles are intended to provide best practice guidelines for the governance of Peapack-Gladstone Financial Corporation (the “Company”) and its Board of Directors (the “Board”) and committees.

#### **DIRECTOR RESPONSIBILITIES**

The basic responsibility of the members of the Board is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders and in a manner that they reasonably believe will comply with applicable federal and state laws. In discharging their obligation, directors may be entitled to rely on the Company’s senior executives and its outside advisors and auditors. Although ultimate authority resides in the Board, the Board delegates authority to management to pursue the Company’s mission. Management, not the Board, is responsible for managing the Company.

In fulfilling its responsibilities, the Board, or a committee duly delegated, performs the functions identified in the Company’s “Director Duties and Responsibilities.”

#### **DIRECTOR QUALIFICATION STANDARDS AND SELECTION**

The Board will consist of at least a majority of Directors who meet the NASDAQ Stock Market’s criteria for independence and the Company’s “Categorical Standards for Director Independence.” The Nominating Committee will review the requisite skills and characteristics of any board candidates as well as the composition of the Board as a whole. This assessment will include a consideration of independence, diversity, skills and experience in the context of the needs of the Board.

There is no established limit on the number of terms a Director may serve.

Basic criteria for Director selection include:

1. Directors have significant expertise and experience directly in line with the Company's objectives.
2. Directors must at all times remain in compliance with the stock ownership requirements set forth in the Peapack-Gladstone Financial Corporation Stock Ownership Guidelines.
3. Directors shall be experienced in business and/or organizational leadership, shall be financially literate and shall be respected members of their communities.
4. Directors shall have high ethical and moral standards and sound personal finances.
5. A Director may not serve on the board of any other bank that serves the same market area as Peapack-Gladstone Financial Corporation and, absent a waiver by the Nominating Committee, may only serve on the board of directors of up to three other publicly traded companies.

The number of Directors is established by the Board from time to time in accordance with the By-laws.

### **DIRECTOR ACCESS TO OFFICERS, EMPLOYEES AND RECORDS**

Directors shall have full and free access to officers, employees and records of the Company and, as necessary, any appropriate independent advisors.

### **BOARD MEETING SCHEDULES; INDEPENDENT DIRECTOR SESSIONS**

Not later than January 31 of each year, the Board shall adopt a meeting schedule for the year.

The schedule will provide for executive sessions that include only independent Directors, which shall occur semi-annually or more frequently as needed. These independent director sessions will be chaired by the Chairman of the Board (the "Chair"), or, if the Chair is not an independent director, the Lead Director.

The Board agenda and materials will be distributed to Directors in advance of all meetings.

### **BOARD COMMITTEES**

The Board will at all times have an Executive Committee, an Audit Committee, a Compensation Committee, a Nominating Committee, and a Risk Committee. Other than the Executive Committee (of which the CEO shall be a member, as provided in the By-laws of the Company), these committees shall be comprised of only independent directors under the criteria of independence established by the NASDAQ Stock Market and the Company's "Categorical Standards for Director Independence." The Board will also at all times have a New Jersey Trust and Wealth Oversight Committee and a Delaware Trust Committee, which shall be comprised of directors and senior officers as required by law.

Members and the Chair of these committees will be appointed by the Board upon recommendation from the Nominating Committee.

Each committee will have its own charter setting forth the purpose, authority and responsibility of the committee.

The Chair of each committee will establish a schedule of meetings and an agenda for meetings. The schedule for each committee will be provided to the Board.

Each committee will report on its activities to the full Board on an as-appropriate basis.

At least annually, each committee will review its charter and submit it to the Board for approval. Annually, the Board will make committee appointments from the recommendations of the Nominating Committee.

## **DIRECTOR COMPENSATION**

Director compensation will be reviewed by the Compensation Committee at least annually. The form and amount of Director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter, which shall include appropriate benchmarking against other companies.

The Committee will consider that a Director's independence may be jeopardized if compensation and perquisites exceed customary levels, if the Company makes substantive charitable contributions to organizations with which a Director is affiliated, or if the Company enters into consulting contracts with (or provides other forms of compensation to) a Director or an organization with which the Director is affiliated.

## **DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

Within 6 months of election or appointment to the Board, a new Director must participate in an orientation of the Company.

Such orientation will include a meeting with each member of the Company's executive management team and its internal auditor to familiarize the new Director with matters including the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, Code of Business Conduct and Ethics, principal officers, and business. These meetings shall be conducted on Company premises.

During the orientation period, the Director is encouraged to otherwise familiarize him or herself with the Company's business.

Directors are encouraged to pursue continuing education to assist them in the discharge of their duties as Directors.

### **STRATEGIC PLANNING**

The Board will review the Company's long-term strategic and capital plans annually. At this meeting, the Board will meet with the Company's executive management team to review the Company's business plans and discuss corporate strategy. More frequent meetings and discussions as deemed necessary or appropriate may be had with respect to strategic planning, capital planning and related matters.

### **CEO EVALUATION**

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter, and shall provide a summary of such review to the Board on an annual basis.

### **TRANSACTIONS WITH RELATED PERSONS**

The Company shall not engage in any transaction with any related person, promoter or control person which exceeds \$120,000 and which is subject to the requirements of Regulation S-K, Item 404(a).

### **POLICY CHANGES**

This policy may be submitted to the Board of Directors (the "Board") for approval annually.

Interim policy changes may be enacted with the approval of any Policy Making Officer of Peapack Private Bank & Trust (the “Bank”) without the immediate approval of the Board of Directors. Interim policy changes may include:

- changes made in accordance with regulatory, organizational, procedural and technological changes;
- policy recommendations and comments made by the Bank’s regulators, auditors and consultants; and
- correction of typographical and grammatical errors.

All interim policy changes will be recorded on the policy cover page. All revisions will be submitted to the Board of Directors in conjunction with the annual approval.

Any policy that is completely or substantially rewritten, beyond an interim policy change, must be submitted to the Board of Directors for approval.

The policies that must be submitted to the Board of Directors for approval are defined in the Policy on Policies.

## **COMPLIANCE**

These Corporate Governance Principles are the policy of the Company and have been adopted and approved by the Board of Directors.

Compliance with these standards and Policy are an ongoing condition to remain a Director or to seek reelection.

I have read, understand and will comply with the Corporate Governance Principles that are set forth herein.

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Carmen M. Bowser

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Patrick Campion

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Dr. Susan A. Cole

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Anthony J. Consi II

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Richard Daingerfield

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Edward A. Gramigna, Jr.

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Peter D. Horst

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Steven A. Kass

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Douglas L. Kennedy

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F. Duffield Meyercord

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Patrick J. Mullen

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Philip W. Smith III

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Tony Spinelli

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Beth Welsh

DATE: \_\_\_\_\_