

## **LAKELAND INDUSTRIES, INC.**

### **AUDIT COMMITTEE CHARTER**

#### **Appendix A**

##### **Membership**

The audit committee will be composed of not less than three members of the board. They will be selected by the board, taking into account prior experience in matters to be considered by the committee, probable availability at times required for consideration of these matters, and their individual independence and objectivity.

The committee membership will meet the requirements of the audit committee policy of the NASDAQ Independent Director and Audit Committee Requirements. Accordingly, all of the members will be directors independent of management and free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of independent judgment as a committee member.

No officers or employees of the company or its subsidiaries will serve on the committee. A former officer of the company or any of its subsidiaries may serve on the committee (even though the former officer may be receiving pension or deferred compensation payments from the company) if, in the opinion of the board of directors, the former officer will exercise independent judgment and will materially assist the committee's function. However, a majority of the committee will be directors who were not formerly officers of the company or any of its subsidiaries.

In considering relationships that might affect independence, including possible affiliate status, the board of directors will give appropriate consideration to guidelines issued by the NASDAQ as supplementary material to its audit committee policy, which were provided to assist boards of directors in observing the spirit of the policy.

##### **Actions of the Committee**

The activities of the committee may result in the following types of actions.

- a. Those in which the committee will inform the board that action has been taken in the board's interest and does not require prior board approval.
  1. Review and approve the scope of the annual audit for the company and its subsidiaries recommended jointly by the independent CPAs and the president.
  2. Review and approve the scope of the company's annual profit and stock incentive programs audits.
  3. When requested by the chairman of the board during an annual shareholders' meeting,

the committee chairman will answer questions raised by a shareholder on matters relating to the committee's activities.

4. Request the president to have the internal audit staff study a particular area of interest or concern.
- b. Those which the committee will review and study and then recommend action by the board.
1. Appoint independent public accountants.
  2. Review major accounting policy changes before implementation.
  3. Review SEC registration statements before signature by other board members.
  4. Review annual audit reports and the content of proposed published reports.
- c. Those which the committee will review and study and provide summary information reports to the board when appropriate.
1. Review trends in accounting policy changes proposed or adopted by organizations such as the Financial Accounting Standards Board, the Securities and Exchange Commission (SEC), and the American Institute of Certified Public Accountants or by comparable bodies outside the United States.
  2. Interview independent CPAs for review and analysis of strengths and weaknesses of the company's financial staff, systems, adequacy of controls, and other factors which might be pertinent to the integrity of published financial reports.
  3. Participate in financial review preceding publication of quarterly reports.
  4. Review administration of the company's "conflict of interest" policy.
  5. Review the performance of management and operating personnel under the company's code of ethics.
  6. Review insurance programs from the standpoint of gaps and exposure as well as fraud.
  7. Review reports on the company or its subsidiaries by agencies of governments in countries where the company or its subsidiaries operate.
  8. Review periodic SEC filings by the company and assure that adequate programs and procedures exist to comply with SEC regulations and regulations of securities exchanges (such as the NASDAQ).

## CODE OF ETHICS Introduction

For the past several years, the activities of business organizations, both large and small, have been the subject of increased scrutiny and criticism by the public, the government, and the news media.

This is particularly true of multinational corporations, which have been the object of worldwide demands for public statements of their corporate codes of ethics.

For that reason, it is appropriate for Lakeland Industries, Inc. to restate its position on ethical conduct, based on the original precepts of the business and on policies formulated as the corporation has grown.

As a good corporate citizen, Lakeland Industries, Inc. has always endeavored to conduct its business in a manner conforming to the highest ethical standards. The company's reputation for unquestionable integrity is its most valuable asset in its relationships with its customers, employees, shareholders, and the communities in which its plants are located.

The following statement of business principles has been prepared to guide the future conduct of company activities in an ethical and legal manner. It is not intended to supply answers for every business activity; rather, it is an effort to reiterate the continuing policies of the corporation on ethical business behavior, which must be observed by all Lakeland Industries, Inc. employees and representatives throughout the world. It is essential that all employees and representatives conform to these principles as they perform their activities on behalf of Lakeland Industries, Inc.

### Lakeland and its employees

Employees are the corporation's greatest asset, and it is a Lakeland Industries, Inc. policy to treat them fairly in all matters and to pay them competitively.

Lakeland and its domestic subsidiaries are engaged in a program of full compliance with all federal and state laws applicable to hiring and promoting people on the basis of demonstrated ability, experience, and training without regard to race, religion, sex age, national origin, or other factors requiring affirmative action. The corporation requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.

With this in mind, it is the intent of Lakeland to:

Choose its employees on the basis of their ability to perform the work for which they are hired without regard to race, religion, sex, age, national origin, or other factors requiring affirmative action.

Offer employees a safe, healthy, and clean work environment.

Offer work that challenges the employees and gives them a feeling of satisfaction.

Pay employees fairly in relation to their contributions to the company's efforts, within the boundaries of current standards.

#### Lakeland and the Community

The corporation shall conduct its business in a manner that is socially responsible. In addition to manufacturing and selling products, it shall protect the quality of the environment and endeavor to conserve energy and other valuable resources.

Each of the corporation's facilities is expected to make every effort to be an integral part of the community in which it operates, and to participate in its activities as a concerned and responsible citizen. Like individual citizens, it benefits from such activities as health, welfare, character building, education, and culture. And like individuals, it has the responsibility to support and develop these social and civic activities.

The company recognizes that employee participation in cultural, social or volunteer organizations can be public service of a higher order, and all Lakeland employees are encouraged to participate in public activities of their individual choice.

#### Lakeland and its Customers

The corporation shall endeavor to supply its customers with quality products, delivered on schedule and sold at a fair price. Lakeland products will be manufactured to the company's high quality standards and will offer customers all the technical skills of its employees and the expertise of Lakeland technology and know-how.

#### Lakeland and the Law

It is the policy of Lakeland to comply fully with all valid laws and regulations that govern its operations in the various communities, states and countries in which it operates and to conduct its affairs in keeping with the highest moral, legal and ethical standards.

There is an obligation, both corporate and individual, to fulfill the intent of the above statement. It is not expected that every employee will have full knowledge of the laws affecting his or her responsibilities. The company does, however, expect that employees with significant responsibilities will have a general knowledge of prohibited activities involved in their work and will seek guidance on any matter on which there is a question, either directly from the corporation's legal department or through their supervisors.

Honesty is not subject to equivocation at any time in any culture, and even where the law may be permissive; your corporation chooses to follow the course of highest integrity. The reputation of the company for scrupulous dealing is a priceless asset, just as it is for individuals. The intent of these principles is to maintain and develop the corporation's reputation in the future as it has in the past.

## Lakeland and Business Ethics

The law is a base for ethical business conduct which should normally be at a level well above the minimum required by law. In its relationships with customers, the corporation will offer the same advantages to all and will be fair in all its endeavors. Gifts or bribes for the purpose of influencing the buying decisions of employees of customers or potential customers or persons in a position to influence a buying decision are clearly improper and prohibited.

In dealing with suppliers, an employee shall not solicit, accept, or countenance payments or substantial gifts, regardless of motive, from either a vendor or a potential vendor.

In its relationships with its competitors, the corporation and its employees will fully understand and strictly adhere to the requirements of the antitrust laws. These laws, which, in the United States, include the Sherman Act, Clayton Act, Robinson-Patman Act, and Federal Trade Commission Act, seek to advance and maintain the free enterprise system and take precedence over any business objective of the corporation, notwithstanding any resulting increases in sales or profits.

Such acts as price-fixing, restrictive agreements, boycotts, tie-in arrangements exclusive of reciprocal dealings, monopolizing, price inducements, and discriminatory allowances are or may be illegal. All employees shall scrupulously avoid violations of the antitrust laws. The corporation will not condone any actions which an employee knew or should have known would violate the antitrust laws or any other valid law or regulation.

The corporation and its units shall make no financial contributions to a political party or to a candidate running for any elective office. This policy applies to all political parties or candidates worldwide, even when permitted by local law. Payments, regardless of amount, to any government employee, or gifts or services of substantial value or lavish entertainment, regardless of motive, are prohibited.

Relationships with public employees shall be so conducted that neither the officials nor the company's integrity would be compromised if the full details of the relationship became a matter of public knowledge.

## Lakeland and Conflicts of Interest

It has always been, and continues to be, the corporation's intent that its employees maintain the highest standards of loyalty in their conduct of company affairs. In essence, company employees shall deal with suppliers, customers, and other persons doing business or seeking to do business with the corporation in a manner that eliminates considerations of personal advantage.

Because they hold positions of trust in the corporation, a director, an officer, or any employees may not make a profit from the corporation because of their official position. They are also clearly prohibited from engaging in a competing business.

In addition to the legal responsibility of the directors and officers, it is the duty of all employees to act in the best interests of the corporation and to avoid situations which might produce a conflict between their own interests and those of the corporation. Employees shall have no financial interest in any firm doing business with or seeking to do business with the corporation, nor shall they accept employment outside the company which may result in a conflict of interest, unless same is fully disclosed and approved by a disinterested group of officers and/or directors.

## **WHISTLEBLOWER POLICY**

### **Enforcement and Protection for Reporting Persons**

Any director, officer or employee can report, anonymously, if they want, violations of the above Code of Ethics directly to Mr. John Kreft, Chairman of the Audit Committee and member of the Nominating and Governance Committee. Mr. Kreft will then inform the other independent directors. They will then determine whether a violation has occurred, according to the standards outlined above, hold a formal meeting, if required, to question the officer, employee or director reported, and if necessary recommend a disciplinary remedy, termination, or notify the appropriate legal authorities. We have established a confidential email and hotline for employees to report violations of our Code of Ethics or other company policy and to report any ethical concerns.

Contact information:

Mr. John Kreft

3333 Allen Parkway, # 2107

Houston, Texas 77019

713-807-7997

[jkreft@msn.com](mailto:jkreft@msn.com)

This policy is intended to encourage Board members, staff (paid and volunteer) and others to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) without retribution.

The Whistleblower should promptly report the suspected or actual event to his/her supervisor.

If the Whistleblower would be uncomfortable or otherwise reluctant to report to his/her supervisor, then the Whistleblower could report the event to the next highest or another level of management, including to an appropriate Board committee or member.

The Whistleblower can report the event with his/her identity or anonymously.

The Whistleblower shall receive no retaliation or retribution for a report that was provided in good faith – that was not done primarily with malice to damage another or the organization.

A Whistleblower who makes a report that is not done in good faith is subject to discipline, including termination of the Board or employee relationship, or other legal means to protect the reputation of the organization and members of its Board and staff.

Anyone who retaliates against the Whistleblower (who reported an event in good faith) will be subject to discipline, including termination of Board or employee status.

Supervisors, managers and/or Board members who receive the reports must promptly act to investigate and/or resolve the issue.

The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.

Employee Signature – Code of Ethics / Whistleblower Policy

I acknowledge that I have received the Code of Ethics/Whistleblower Policy dated \_\_\_\_\_ for Lakeland Industries, Inc. I understand that any employee may report suspicion or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) without retribution.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## **Lakeland and Conflicts of Interest**

It has always been, and continues to be, the corporation's intent that its employees maintain the highest standards of loyalty in their conduct of company affairs. In essence, company employees shall deal with suppliers, customers, and other persons doing business or seeking to do business with the corporation in a manner that eliminates considerations of personal advantage.

Because they hold positions of trust in the corporation, a director, an officer, or any employees may not make a profit from the corporation because of their official position. They are also clearly prohibited from engaging in a competing business.

In addition to the legal responsibility of the directors and officers, it is the duty of all employees to act in the best interests of the corporation and to avoid situations which might produce a conflict between their own interests and those of the corporation. Employees shall have no financial interest in any firm doing business with or seeking to do business with the corporation, nor shall they accept employment outside the company which may result in a conflict of interest, unless same is fully disclosed and approved by a disinterested group of officers and/or directors.

## **Enforcement and Protection for Reporting Persons**

Any director, officer or employee can report, anonymously, if they want, violations of the above Code of Ethics directly to John Kreft an independent director and Chairman of our Audit Committee. Mr. Kreft will then inform the other independent directors and they will determine whether a violation has occurred, according to the standards outlined above, hold a formal meeting, if required, to question the officer, employee or director reported, and if necessary recommend a disciplinary remedy, termination, or notify the appropriate legal authorities. The reporting contact is A. John Kreft, 333 Allen Parkway, Suite 2107, Houston, TX 77019. Phone: 713-807-7997, E-mail: [jkreft@msn.com](mailto:jkreft@msn.com)

## **CHARTER OF THE COMPENSATION COMMITTEE**

### **Purpose:**

The purpose of the Lakeland Industries' Compensation Committee is to aid the Board of Directors in meeting its responsibilities with regard to oversight and determination of executive compensation, which includes evaluating and determining compensation of the members of the Board of Directors, The Chief Executive Officer ("CEO") and other executive officers and administering equity and other incentive plans for all employees.

### **Membership:**

The Compensation Committee shall consist of a minimum of three independent members. Members of the Compensation Committee, in the judgment of the Board of Directors, shall be independent in accordance with NASDAQ listing standards or any other standards that law or regulation may require or that the Board of Directors shall determine to apply. Appointment to the Compensation Committee, including designation of the Chair of the Compensation Committee, shall be made on an annual basis by the full Board of Directors on recommendation of the Governance and Nominating Committee of the Board of Directors.

### **Responsibilities and Duties:**

The Compensation Committee shall:

1. Review and recommend the Company's goals and objectives relevant to CEO and executive officer compensation, evaluate the performance of the CEO and executive officers in light of those stated goals and objectives and determine and set annual compensation (salary, bonus and equity-based compensation) levels for the CEO. Review with the CEO the salary bonus and equity-based compensation levels for executive officers based on individual performance evaluations.
2. Annually review and approve the compensation policies for all executive officers and members of the Board of Directors of Lakeland Industries.
3. Annually review and evaluate the level and form of compensation for the Board of Directors and committee service by non-employee members of the Board of Directors and recommend changes when appropriate.
4. Approve and make recommendations with respect to shareholder proposals related to compensation matters.
5. Approve and make recommendations to the Board of Directors with respect to any incentive compensation plans and equity-based compensation plans, including any amendments (collectively, the "Plans").
6. Administer Plans and grant and ratify awards under such Plans as provided in the applicable Plan documents, including the review and approval of management recommendations of any equity-based compensation to all eligible employees (except the CEO) under any existing Plans.
7. As requested by Company management, review, consult and make recommendations and/or determinations regarding employee compensation and benefit plans generally, including employee bonus and retirement plans and programs.
8. With the assistance of counsel, draft, review and approve the annual Report of the Compensation Committee on executive compensation to be included in Company's annual proxy statement as required under applicable law, regulation or listing standards.

9. When necessary and appropriate, be authorized to designate one or more of its members to perform certain of its duties on its behalf, subject to any reporting to and ratification by the Compensation Committee as the Compensation Committee shall direct.
10. Periodically review the adequacy of its charter and recommend any changes it deems appropriate or required to the full Board of Directors.
11. Review and analyze any materials and data prepared by consultants and advisors engaged to assist the Compensation Committee in fulfilling its responsibilities and duties.
12. Evaluate the need for, and provisions of, any employment contracts/severance arrangements for the CEO and other executive officers.

**Outside Consultants and Advisors:**

In fulfilling its responsibilities and duties, the Compensation Committee has the authority, at the Company's expense, to retain, to determine the fees and other terms of engagement of, and to terminate the engagement of independent compensation consultants and legal advisors, which assist the Compensation Committee in the discharge of its responsibilities and duties.

## **LAKELAND CORPORATION BOARD OF DIRECTORS GUIDELINES ON SIGNIFICANT CORPORATE GOVERNANCE ISSUES**

### **A. BOARD COMPOSITION**

#### **Separation of the positions of Chairman and CEO**

The Board's general policy, based on experience, is that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons as an aid in the Board's oversight of Management.

#### **Size of the Board**

The Board has 7 members in accordance with the Corporation's Bylaws, and periodically reviews the appropriate size of the Board.

#### **Mix of Inside and Independent Directors**

The Board believes that there should be a substantial majority of independent Directors on the Board. The Board also believes that it is useful and appropriate to have members of Management attend Board Meetings.

#### **Board Definition of What Constitutes Independence for non-employee Directors**

Lakeland defines an "independent" director in accord with the Nasdaq National Market Issuer requirements for independent directors (Nasdaq Stock Market Rule 4200). Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible to affirmatively determine that each independent Director has no other material relationship with the Corporation or its affiliates or any executive officer of the Corporation or his or her affiliates. A relationship will be considered "material" if in the judgment of the Board it would interfere with the Director's independent judgment.

#### **Board Membership Criteria**

The Nominating Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues such as age; understanding of and experience in manufacturing, technology, finance and marketing; international experience; and culture. These factors, and others as considered useful by the Board, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time.

Board members are expected to rigorously prepare for, attend, and participate in all Board and applicable Committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director. These other commitments will be considered by the Nominating Committee and the Board when reviewing Board candidates and in connection with the Board's annual self-assessment process.

### Selection of New Director Candidates

The Board should be responsible for selecting its own members. The Board delegates the screening process involved to the Nominating Committee, with the expectation that other members of the Board, and of Management, will be requested to take part in the process as appropriate.

### Directors Who Retire or Change Their Present Job Responsibility

The Board does not believe that directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating Committee, to review the continued appropriateness of Board membership under these circumstances.

### Term Limits

The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into the Corporation and its operations and therefore provide an increasing contribution to the Board as a whole.

### Director and Officer Retirement Policy

The Board has adopted a retirement policy for officers and directors. Under the policy, independent Directors may not stand for reelection after age 72, and inside Directors, other than current or former Chief Executive Officers, may not stand for reelection after age 65. The Chief Executive Officer may continue as CEO no later than age 66, but may continue to be employed by the Corporation in another capacity beyond that time, including until age 72 in the capacity of Chairman of the Board as a Corporate Officer and may continue to serve as a Director, including as Chairman of the Board. Other Corporate Officers may continue as such no later than age 65.

### Board Compensation

It is the general policy of the Board that Board compensation should be a mix of cash and equity-based compensation. Inside Directors will not be paid for Board membership in addition to their regular employee compensation. Independent Directors may receive consulting, advisory or other compensatory fees from the Corporation in addition to their Board compensation but such fees are not to exceed \$60,000 annually. To the extent practicable, Independent Directors who are affiliated with the Corporation's service providers will undertake to ensure that their compensation from such providers does not include amounts connected to payments by the Corporation.

The staff of the Corporation will report from time to time to the Compensation Committee on the status of Board compensation in relation to other representative U.S. companies.

## B. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The primary responsibilities of the Board of Directors are oversight, counseling and direction to the management of the Corporation in the interest and for the benefit of the Corporation's stockholders. The Board's detailed responsibilities include:

- (a) Selecting, regularly evaluating the performance of, and approving the compensation of the Chief Executive Officer and, other senior executives; who earn in excess of \$150,000 annually.
- (b) Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other senior executives;
- (c) Reviewing and, where appropriate, approving the Corporation's major financial objectives, strategic and operating plans and actions;
- (d) Overseeing the conduct of the Corporation's business to evaluate whether the business is being properly managed; and
- (e) Overseeing the processes for maintaining the integrity of the Corporation with regards to its financial statements and other public disclosures, and compliance with law and ethics.

The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Corporation, the authority and responsibility for managing the business of the Corporation in a manner consistent with the standards and practices of the Corporation, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and Management are responsible to seek the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Corporation.

### Corporate Business Principles

Members of the Board of Directors shall act at all times in accordance with the requirements of the Corporation's Code of Ethics, which shall be applicable to each Director in connection with his or her activities relating to the Corporation. This obligation shall at all times include, without limitation, adherence to the Corporation's policies with respect to conflicts of interest, confidentiality, protection of the Corporation's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Corporate Code of Ethics with respect to any individual Director shall be reported to, and be subject to the approval of, the Board of Directors.

## C. BOARD MEETINGS AND MATERIALS

### Scheduling and Selection of Agenda Items for Board Meetings

Board meetings are scheduled in advance typically every third month for a half day. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Corporation. The Board may also take action from time to time by unanimous written consent.

Typically, the meetings are held at the Corporation's headquarters in Ronkonkoma, NY, but occasionally a meeting is held at another Lakeland facility or other location.

The Chairman of the Board and the Corporate Secretary, in consultation with the other members of the Board, draft the agenda for each meeting and distribute it in advance to the Board. Each Director may propose the inclusion of items on the agenda, request the presence of or a report by any member of the Corporation's management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The annual cycle of agenda items for Board meetings is expected to change on a periodic basis to reflect, e.g., Board requests, changing business and legal issues and the work done by the Board Committees. It is expected that the Board will have regularly-scheduled presentations from Finance, Sales and Marketing, and the major business segments and operations of the Corporation. The Board's annual agenda will include the long-term strategic plan for the Corporation and the principal issues that the Corporation expects to face in the future.

#### Board Material Distributed in Advance

Information that is important to the Board's understanding of the business and its meeting agenda items should be distributed in writing to the Board before the Board meets. Supplemental written materials will be provided to the Board on a periodic basis and at any time upon request of Board members.

As a general rule, materials on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

#### Access to Employees and Board Presentations

The Board has complete access to contact and meet with any Lakeland employee. Board members are encouraged, when traveling, to make arrangements in advance to visit Lakeland sites and meet with local management on a world-wide basis. The Corporate Secretary shall, whenever requested, assist in arranging and facilitating such meetings and site visits.

The Board encourages Management to schedule managers to present at Board Meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, or (b) have future potential that Management believes should be given exposure to the Board.

#### Independent Directors' Discussions

The Board's policy is to have a separate meeting time for the independent directors regularly scheduled at least once a year during the regularly scheduled Board Meetings. The Lead Independent Director will assume the responsibility of chairing the meetings of independent directors and shall bear such further responsibilities which the independent directors as a whole might designate from time to time.

### Director Orientation and Continuing Education

The Chief Executive Officer in conjunction with Management is responsible for new-Director orientation programs and for Director continuing education programs. The orientation programs are designed to familiarize new Directors with the Company's businesses, strategies and challenges and to assist new Directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. Continuing education programs for Board members may include a mix of in-house and third-party presentations and programs.

## D. BOARD COMMITTEES

### Number of Committees

The current three Committees are Audit, Compensation, and Corporate Governance and Nominating and Governance. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. The Audit, Compensation, and the Corporate Governance and Nominating Committees shall be composed entirely of independent Directors.

Each Committee will have a written charter, approved by the Board, which describes the Committee's general authority and responsibilities. Each Committee will undertake an annual review of its charter, and will work with the Corporate Governance Committee and the Board to make such revisions as are considered appropriate.

Each Committee has the authority to engage outside experts, advisers and counsel to the extent it considers appropriate to assist the Committee in its work.

Each Committee will regularly report to the Board concerning the Committee's activities.

The Audit Committee is responsible for the hiring, oversight and compensation of the independent certified public accountants that audit the Corporation's financial statements, and for monitoring the effectiveness of the Corporation's internal financial and accounting organization and controls and financial reporting.

The Compensation Committee reviews and determines salaries and other matters relating to compensation of the executive officers of the Corporation, and administers the Corporation's stock incentive plans, including the review and granting of stock incentives to eligible employees under the Corporation's existing stock incentive plans.

The Corporate Governance Committee reviews and reports to the Board on matters of corporate governance (that is, the relationships of the Board, the Stockholders and Management in determining the direction and performance of the Corporation) and reviews and addresses these Guidelines and recommends revisions as appropriate. The Committee reviews all proposals submitted by stockholders for action at the Annual Stockholders' Meeting, and recommends action by the Board with regards to each such proposal. The Committee makes recommendations to the Board regarding the size and composition of the Board, establishes procedures for the nomination process, recommends candidates for election to the Board and nominates employees for election as Corporate Officers by the Board.

### Assignment and Term of Service of Committee Members

The Board is responsible for the appointment of Committee Members and Committee Chairmen. Committee assignments are reviewed annually and it is expected that Committee assignments will rotate from time to time among the Board members. It is also expected that each Committee Chairman will have had previous service on the applicable Committee, and will rotate off the Committee when his or her term as Chairman is completed.

### Frequency and Length of Committee Meetings and Committee Agenda

The Committee Chairman, in consultation with the Chairman of the Board and appropriate members of Management, will determine the frequency and length of the Committee meetings and develop the Committee's agenda. The agendas and meeting minutes of the Committees will be shared with the full Board, and other Board members are welcome to attend Committee meetings.

### CHARTER OF THE CORPORATE NOMINATING AND GOVERNANCE COMMITTEE

The Corporate Nominating and Governance Committee responsibilities include, among other things:

- reviewing qualified candidates to serve as directors;
- aiding in attracting qualified candidates to serve on the Board;
- considering, reviewing and investigating (including with respect to potential conflicts of interest of prospective candidates) and either accepting or rejecting candidates suggested by our stockholders, directors, officers, employees and others;
- recommending to the full Board nominees for new and vacant positions on the Board and providing profiles of the qualifications of the candidates;
- Monitoring our overall corporate governance and corporate compliance program;
- reviewing and adopting policies governing the qualification and composition of the Board;
- recommending remuneration for non-employee Board members;
- reviewing and making recommendations to the Board regarding Board structure, including establishing criteria for committee membership, recommending processes for new Board member orientation, and reviewing and monitoring the performance of incumbent directors;
- recommending to the Board action with respect to implementing resignation, retention and retirement policies of the Board;
- reviewing the role and effectiveness of the Board, the respective Board committees and the directors in our corporate governance process; and

- reviewing and making recommendations to the Board regarding the nature and duties of Board committees, including evaluating the committee charters, recommending appointments to committees, and recommending the appropriate chairperson for the Board.

#### Director Nomination Procedures

The Nominating and Governance Committee will consider director candidates recommended by stockholders. In considering candidates submitted by stockholders, the Nominating and Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Nominating and Governance Committee may also take into consideration the number of shares held by the recommending stockholder and the length of time that such shares have been held. To have a candidate considered by the Nominating and Governance Committee, a stockholder must submit the recommendation in writing and must include the following information:

- the name of the stockholder and evidence of the person's ownership of our stock, including the number of shares owned and the length of time of ownership;
- the name of the candidate, the candidate's written detailed resume and a listing of his or her qualifications to be a director of the company and the person's consent to be named as a director if selected by the Nominating and Governance Committee; and nominated by the Board; and
- the written consent of the proposed candidate to be named as a nominee and to serve as a director if elected.

The stockholder recommendation and information described above must be sent to the Corporate Secretary at 701 Koehler Avenue, Suite 7, Ronkonkoma, New York 11779 and must be received by the Corporate Secretary before January 31st of the calendar year.

The Nominating and Governance Committee believes that the minimum qualifications for serving as a director are that a nominee demonstrate, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of Lakeland and have an impeccable record and reputation for honest and ethical conduct in both his or her professional and personal activities. In addition, the Nominating and Governance Committee examines a candidate's specific experiences and skills, relevant industry background and knowledge, time availability in light of other commitments, potential conflicts of interest, interpersonal skills and compatibility with the Board, and independence from management and the company. The Nominating and Governance Committee also seeks to have the Board represent a diversity of backgrounds and experience.

The Nominating and Governance Committee identifies potential nominees through independent research and through consultation with current directors and executive officers and other professional colleagues. The Nominating and Governance Committee looks for persons meeting the criteria above, and takes note of individuals who have had a change in circumstances that might make them available to serve on the Board — for example, retirement as a Chief Executive Officer or Chief Financial Officer of a company. The Nominating and Governance Committee also, from time to time, may engage firms that specialize in identifying director

candidates. As described above, the Nominating and Governance Committee will also consider candidates recommended by stockholders.

Once a person has been identified by the Nominating and Governance Committee as a potential candidate, the committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the Nominating and Governance Committee determines that the candidate warrants further consideration by the committee, the Chairman or another member of the committee contacts the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Nominating and Governance Committee requests a resume and other information from the candidate, reviews the person's accomplishments and qualifications, including in light of any other candidates that the committee might be considering. The Nominating and Governance Committee may also conduct one or more interviews with the candidate, either in person, telephonically or both. In certain instances, Nominating and Governance Committee members may conduct a background check, may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate's accomplishments. The Nominating and Governance Committee's evaluation process does not vary based on whether or not a candidate is recommended by a stockholder, although, as stated above, the committee may take into consideration the number of shares held by the recommending stockholder and the length of time that such shares have been held.

#### Stockholder Communications with Directors

The Board has established a process to receive communications from stockholders. Stockholders may contact any member (or all members) of the Board by mail. To communicate with the Board, any individual director or any group or committee of directors, correspondence should be addressed to the Board or any such individual director or group or committee of directors by either name or title. All such correspondence should be sent "c/o Corporate Secretary," 701 Koehler Avenue, Suite 7, Ronkonkoma, New York 11779. All communications received as set forth in the preceding paragraph will be opened by the office of our Corporate Secretary for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any group or committee of directors, the Corporate Secretary's office will make sufficient copies of the contents to send to each director who is a member of the group or committee to which the envelope is addressed.

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