Form **8937** (December 2017) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name: Lakeland Bancorp, Inc.	2 Issuer's employer identification number (EIN): 22-2953275

3 Name of contact for additional information: Timothy J. Matteson, Esq.	4 Telephone No. of contact: (973) 697-6140	5 Email address of contact: tmatteson@lakelandbank.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact: 250 Oak Ridge Road	7 City, town, or post office, state, and ZIP code of contact: Oak Ridge, New Jersey 07438-8906

8 Date of action: January 4, 2019	9 Classification and description: Common Stock

10 CUSIP number: 511637100	11 Serial number(s)	12 Ticker symbol: LBAI	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attached.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attached.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attached.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached.

18 Can any resulting loss be recognized? ▶ See attached.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶ January 4, 2019

Print your name ▶ Timothy J. Matteson, Esq. Title ▶ Executive Vice President, Chief Administrative Officer, General Counsel & Corporate Secretary

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

LAKELAND BANCORP, INC.

EIN 22-2953275

ATTACHMENT TO FORM 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Part II, Box 14:

On January 4, 2019 (the "Effective Date"), Highlands Bancorp, Inc., a New Jersey corporation ("Highlands") was merged (the "Merger") with and into Lakeland Bancorp, Inc. ("Lakeland"), with Lakeland as the surviving entity, pursuant to the terms and conditions of the Agreement and Plan of Merger (the "Merger Agreement"), dated August 23, 2018, by and between Lakeland and Highlands.

Part II, Box 15:

Pursuant to the Merger Agreement, each share of Highlands common stock outstanding immediately prior to the effective time of the Merger was cancelled and converted into the right to receive 1.015 shares of Lakeland common stock. In addition, cash was paid for any fractional share interests.

Part II, Box 16:

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Consult your tax adviser to determine the particular tax consequences to you of the Merger.

The acquisition of Highlands by Lakeland pursuant to the Merger was intended to qualify as a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Assuming the Merger so qualifies, in general, for federal income tax purposes, the aggregate tax basis of the shares of Lakeland common stock received by Highlands shareholders as a result of the Merger (excluding any fractional share interests deemed received and redeemed for cash) will be the same as the aggregate tax basis of the Highlands shares surrendered in exchange therefor, reduced by the amount of cash received in the exchange, and increased by the amount of any gain recognized upon the exchange. A Highlands shareholder must allocate the tax basis so calculated across the total number of the Lakeland common shares received by such shareholder in the Merger, which will permit the computation of a tax basis per share. This tax basis will differ with respect to each separate Highlands shareholder and, additionally, tax basis may differ with respect to separate and distinct blocks of common shares owned by any Highlands shareholder. To the extent that a Highlands shareholder received cash in lieu of a fractional Lakeland common share, a portion of the total tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then redeemed for cash. The holding period of any shares of Lakeland common stock received by Highlands shareholders in the Merger generally will include the holding period of the shares of Highlands common stock surrendered in the exchange.

Part II, Box 17:

The acquisition of Highlands by Lakeland pursuant to the Merger was intended to qualify as a reorganization within the meaning of section 368(a) of the Code. Assuming the Merger so qualifies, the federal income tax consequences to the Highlands shareholders who receive shares of Lakeland common stock as full or partial consideration for shares of Highlands common stock will be determined under Code sections 354, 356, 358, and 1221.

Part II, Box 18:

Highlands shareholders who received Lakeland common stock as Merger consideration cannot recognize any loss by reason of the Merger, except with respect to cash received in lieu of a fractional share of Lakeland common stock. If a Highlands shareholder receives cash in lieu of a fractional share of Lakeland common stock, the Highlands shareholder will be treated as having received a fractional share of Lakeland common stock pursuant to the Merger and then having exchanged the fractional share of Lakeland common stock for cash in a redemption by Lakeland. As a result, the Highlands shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the Highlands shareholder's basis in the fractional share of Lakeland common stock as described in line 16 above. Such gain or loss generally will be a capital gain or loss, and will be long-term capital gain or loss if, as of the Effective Date, the Highlands shareholder's holding period with respect to the fractional share (including the holding period of the Highlands common stock surrendered therefor) exceeds one year. Special rules apply to Highlands shareholders who received their shares of Highlands common stock through the exercise of an employee stock option, through a tax qualified retirement plan, or otherwise as compensation, and such Highlands shareholders are instructed to consult their own tax advisers.

Part II, Box 19:

In general, any adjustment to the tax basis that results in gain or loss recognized by a Highlands shareholder as a result of the completion of the Merger should be reported for the taxable year that includes the Effective Date (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2019 calendar year).

For additional information please refer to the full text of the Merger Agreement, which is included as Exhibit 2.1 in Lakeland's Form 8-K filed with the Securities and Exchange Commission ("SEC") on August 24, 2018.