

COMMERCE BANCORP, INC.
AUDIT COMMITTEE CHARTER

Composition

There shall be a committee of the Corporation's Board of Directors (the "Board") to be known as the Audit Committee, which shall be composed of at least three directors, each of whom shall satisfy the independence and financial literacy requirements of the New York Stock Exchange and all other applicable regulatory requirements. In addition, at least one member of the Audit Committee shall have the required accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.

No member of the Audit Committee shall simultaneously serve on the audit committee of more than two public companies unless the Board determines that such simultaneous service would not impair the ability of such Audit Committee member to effectively serve on this Audit Committee and discloses such determination in the Corporation's annual proxy statement or, if the Corporation does not file an annual proxy statement, in the Corporation's annual report on Form 10-K filed with the SEC.

The Board on the recommendation of the Nominating and Governance Committee shall elect the members of the Audit Committee; members shall serve in accordance with the Corporation's Bylaws and until their successors shall be duly elected and qualified. Audit Committee members may be removed and replaced by the Board at any time and the Board shall fill any vacancies.

Purpose

The Audit Committee's purpose is to (A) assist Board oversight of (1) the integrity of the Corporation's financial statements, (2) the Corporation's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Corporation's internal audit function and independent auditors, and (B) prepare an audit committee report as required by the SEC's rules to be included in the Corporation's annual proxy statements, or, if the Corporation does not file a proxy statement, in the Corporation's annual report filed on Form 10-K with the SEC.

Authority, Duties and Responsibilities

The authority, duties and responsibilities of the Audit Committee shall be as follows:

(A) be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, and each such registered public accounting firm must report directly to the Audit Committee;

(B) establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;

(C) have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties;

(D) at least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation;

(E) review and discuss the Corporation's annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;"

(F) discuss the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

(G) discuss policies with respect to risk assessment and risk management;

(H) meet separately, periodically, with management, with internal auditors (or other personnel or independent contractors responsible for the internal audit function) and with independent auditors;

(I) review with the independent auditor any audit problems or difficulties and management's response;

(J) set clear hiring policies for employees or former employees of the independent auditors;

(K) report regularly to the full Board;

(L) make an annual performance evaluation of the Audit Committee;

(M) review and assess the adequacy of the Audit Committee's charter annually;

(N) comply with all preapproval requirements of Section 10A(i) of the Securities Exchange Act of 1934 and all SEC rules relating to the administration by the Audit Committee of the auditor engagement to the extent necessary to maintain the independence of the auditor as set forth in 17 CFR Part 210.2-01(c)(7);

(O) act as a "qualified legal compliance committee" as defined in 17 CFR Part 205.2; and

(P) make such other recommendations to the Board on such matters, within the scope of its function, as may come to its attention and which in its discretion warrant consideration by the Board.

While the fundamental responsibility for the Corporation's financial statements and disclosures rests with management, the Audit Committee will review (A) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies; (B) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles ("GAAP") methods on the financial statements; (C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation; and (D) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as review any financial information and earnings guidance provided to analysts and rating agencies.

Delegation

Any duties and responsibilities of the Audit Committee, including, but not limited to, the authority to preapprove all audit and permitted non-audit services, may be delegated to one or more members of the Audit Committee or to a subcommittee of the Audit Committee, as the Committee may deem appropriate in its sole discretion.

Structure and Meetings

The Audit Committee shall meet on a quarterly basis, or more frequently as circumstances require. One or more meetings may be conducted in whole or in part by telephone conference call or similar means if it is impracticable to obtain the personal presence of each Audit Committee member. The Corporation shall make available to the Audit Committee, at its meetings and otherwise, such individuals and entities as may be designated from time to time by the Audit Committee, such as members of management including (but not limited to) the internal audit and accounting staff, the independent auditors, counsel, and other individuals or entities (whether or not employed by the Corporation and including any corporate governance employees and individuals or entities performing internal audit services as independent contractors).

The Board shall elect or appoint a chairperson of the Audit Committee (or, if it does not do so, the Audit Committee members shall elect a chairperson by vote of a majority of the full Committee); the chairperson will have authority to preside at all meetings of the Audit Committee and to act on behalf of the Audit Committee between meetings.

Operating Policies

1. The Committee shall take the minutes of all Committee meetings (designating in its discretion individuals to record the minutes) and approve them by subsequent action. The Committee shall circulate the minutes of the Committee meetings to the full Board for review.

2. The Committee shall determine its rules of procedure in accordance with the Corporation's principles of corporate governance and the Corporation's Bylaws.

3. At each regular Board meeting held immediately following a Committee meeting, the Committee shall report to the Board regarding the actions taken by and the activities and finding of the Committee since the last Board meeting, as well as any recommendations for action by the Board when appropriate.

Committee Resources

The Committee shall have the authority without Board approval to obtain advice and seek assistance from internal and external legal, accounting and other advisors. The Committee shall determine the extent of funding necessary for the payment of (1) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (2) compensation to any such advisors so retained; and (3) the ordinary administrative and operating expenses of the Committee that are necessary or appropriate in carrying out its duties, all of which shall be provided by the Corporation.

Disclosure of Charter

This Charter will be made available on the Corporation's website.

Limitations

The Audit Committee is responsible for the duties and responsibilities set forth in this charter, but its role is oversight and therefore it is not responsible for either the preparation of the Corporation's financial statements or the auditing of the Corporation's financial statements. Management has the responsibility for preparing the financial statements and implementing internal controls and the independent auditors have the responsibility for auditing the financial statements and monitoring the effectiveness of the internal controls, subject, in each case, to the oversight of the Audit Committee described in this charter. The review of the financial statements by the Audit Committee is not of the same character or quality as the audit performed by the independent auditors.