

Charter of the Nominating and Corporate Governance Committee of Susquehanna Bancshares, Inc.

Name

There shall be a committee of the Board of Directors (the "Board") of Susquehanna Bancshares, Inc. (the "Company") which shall be called the Nominating and Corporate Governance Committee (the "Committee").

Purposes

The primary purposes of the Committee are to assist the Company's Board of Directors (the "Board") by: (1) identifying individuals qualified to become Board members and recommending to the Board all nominees for Board membership, whether for the slate of director nominees to be proposed by the Board to the shareholders or any director nominee to be elected by the Board to fill interim director vacancies; and (2) developing and recommending to the Board corporate governance policies and procedures applicable to the Company.

Committee Membership and Procedure

The Committee shall consist of no fewer than three (3) members. Each member of the Committee shall satisfy the independence requirements of Nasdaq listing standards. The Board shall appoint the members of the Committee annually. The members of the Committee shall serve until their successors are appointed and qualify, and shall designate the Chairperson of the Committee. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to such new member(s) satisfying the above requirements. Except as expressly provided in this Charter or in the Bylaws of the Company, the Committee shall fix its own rules of procedure.

Meetings

The Committee shall meet as often as it determines is necessary, but not less frequently than two (2) times per year. The Committee may periodically meet with management, and may request any officer or employee of the Company or the Company's outside counsel, any outside consultant or other third party to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Committee Authority and Responsibilities with Respect to Nominations

- The Committee shall develop qualification criteria for Board members, and seek, interview and screen individuals qualified to become Board members.
- The Committee shall evaluate and recommend to the Board all nominees for Board membership, whether for the slate of director nominees to be proposed by the Board to the shareholders or any director nominee to be elected by the Board to fill interim director vacancies.
- The Committee shall evaluate and recommend to the Board the appointment of Board members to committees of the Board.
- The Committee shall develop policies on the size of the Board and its committees and make recommendations regarding the same to the Board for approval.

- The Committee shall evaluate the composition of the Board and its committees in light of requirements established by any applicable regulatory body or any other applicable statute, rule or regulation (including, without limitation, any requirements relating to the independence of Board or committee members) which the Committee deems relevant and make recommendations regarding the foregoing to the Board for approval.
- The Committee shall review all shareholder proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board), review the timeliness thereof, and recommend to the Board appropriate action on each proposal.
- The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

Committee Authority and Responsibilities with Respect to Corporate Governance

- The Committee shall develop and recommend to the Board Guidelines on Corporate Governance Issues (the "Guidelines"). The Committee shall be responsible for the implementation of, and monitoring compliance with, the Guidelines and shall make recommendations to the Board regarding any non-compliance with, or alteration of, the Guidelines as the Committee deems appropriate.
- The Committee shall review and assess periodically, but at least annually, the adequacy of the Company's Code of Ethics approved by the Board. The Committee shall recommend any modifications to the Code of Ethics to the Board for approval.
- The Committee shall review and assess the adequacy of this Charter periodically as conditions dictate, but at least annually, and recommend any modifications to this Charter if and when appropriate to the Board for its approval.
- The Committee shall review and assess the adequacy of the Company's Articles of Incorporation and Bylaws (collectively, the "Governing Documents") periodically in order to ensure compliance with any principles of corporate governance developed by the Committee and recommend to the Board any necessary modifications to the Governing Documents.
- The Committee shall, to the extent required by any applicable regulatory body or otherwise deemed advisable by the Committee, develop, implement, review and monitor a continuing education program for members of the Board.

Additional Committee Authority and Responsibilities

- The Committee shall make regular reports to the Board.
- The Committee may form and delegate authority to subcommittees when appropriate.

Adopted by the Committee 12/15/03

Adopted by the Board 1/21/04

Amendment Adopted by the Committee and the Board 12/07/04