

CORPORATE GOVERNANCE PRINCIPLES

The following Corporate Governance Principles have been approved by the Board of Directors (“Board”) to promote the effective operation of the Board and to provide a framework for the conduct of business by Oritani Financial Corp. (the “Company”) in accordance with the highest ethical standards and in a manner intended to enhance the long term value of the Company.

1. Director Responsibilities

The basic responsibility of the Board of Directors (the “Board”) is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders and in a manner that they reasonably believe will result in compliance with applicable federal and state laws. In discharging its obligation, directors should be entitled to rely on the honesty and integrity of 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 performs the following principal functions:

- Ensuring legal and ethical conduct
- Selecting, evaluating and compensating the Chief Executive Officer (“CEO”).
- Approving corporate strategy
- Reviewing and approving policies for the operation of the Company
- Providing general oversight of the business
- Monitoring Board-established risk limits and the overall risk profile of the Company
- Evaluating board processes and performance
- Selecting directors, and
- Compensating directors.

2. Operations of the Board

Board Leadership. The Chairman of the Board will be selected from the Board. If the CEO is chosen as chair, a lead independent director will be selected through a board vote. The lead independent director will preside over executive sessions and other areas where independent directors have responsibility. The Chairman shall preside at all meetings of the Board, ensure the proper flow of information to the Board, and review the adequacy and timing of documentary material in support of agenda items; ensure adequate lead time for effective study and discussion of business under consideration; and carry out other duties as requested by the Board as a whole. Either the Chairman or the CEO will preside at meetings of the Company's stockholders.

Board Composition. The Board presently has six members, and it is the sense of the Board that a range of not less than five and not more than twelve is the appropriate Board size in order to achieve governance objectives and goals. More than a majority of the members of the Board shall be independent directors under applicable standards of the Nasdaq.

The Board does not believe it should establish term limits. Although term limits help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations. As an alternative to term limits, each director will be evaluated every three years for continuation on the Board.

No director may serve on the board of another financial institution or its holding company, or any public company's board, unless such service is approved by the Board and does not violate banking regulation. Directors should advise the Chairman of the Board in advance of accepting an invitation to serve on the board of another financial institution, or its holding company, or any public company. Because of the increased time commitment involved in serving on boards of public companies, the Board believes that membership on the board of more than two other public companies would be inappropriate for a director of the Company and requires that directors receive Board approval before accepting a nomination for election as a director of more than two other public companies.

Board Selection. The Nominating and Corporate Governance Committee shall be responsible for establishing criteria and the appropriate processes for the selection of nominees for the Board. If considered necessary, the Nominating and Corporate Governance Committee will oversee the creation of a Director Orientation Program to assist new directors in their acclimation to the Company.

Board Meetings. Directors are expected to attend Board meetings and meetings of committees on which they serve. Directors are expected to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. The Board expects that information and data distributed in writing to members before meetings should be reviewed in advance of the meeting.

The Chairman sets the annual schedule of Board meetings. The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest, in a timely manner, the inclusion of items on the agenda.

The independent directors will meet in regularly scheduled executive sessions not less than quarterly, or more frequently, if considered necessary. Such meetings may take place within the context of a committee meeting. The lead director shall set the agenda for, and preside over, executive sessions.

The Board will review the Company's long-term strategic plans during at least one Board meeting each year. 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 and related matters.

Representing the Company. The Board believes that it is appropriate that management speak and act on behalf of the Company; individual Board members do not, absent the written approval of the Board or of the CEO.

3. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, and may have an Executive Committee. All of the members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be independent, and each committee shall consist of no less than three members. If appointed, the Executive Committee shall consist of at least three directors, and shall include the CEO and the Chairman of the Board. The Board may, from time to time, establish or maintain additional committees as deemed necessary or appropriate.

At least annually, the Nominating and Governance Committee, in consultation with the Chairman and the CEO, shall recommend to the Board the members of each Committee. The Committee Charters adopted by the Board will set forth the purposes, goals and responsibilities of the Committees as well as Committee structure and operations and Committee reporting to the Board. Committee meetings will be scheduled by each Committee as appropriate in order to meet its responsibilities.

The Chairman of each Committee shall preside at each committee meeting and shall report to the Board. In consultation with the appropriate members of the committee and management, the Committee Chairman will develop the Committee's agenda.

The Committees shall periodically report to the Board on their actions and shall prepare written minutes of each Committee meeting, which minutes shall be provided to the Board.

4. Director Access to Officers and Employees

Directors have complete and open access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate should be coordinated through the CEO, unless it is inappropriate in the circumstance to do so.

5. Director Compensation

At least annually, the Nominating and Corporate Governance Committee and/or the Compensation Committee will review and consider the appropriateness of the form and amount of Director compensation with a view toward attracting and retaining qualified Directors. The review will take into consideration the extent to which the Company common stock should be a component of Director compensation. The Committee will also make recommendations on stock ownership guidelines for Directors.

6. Continuing Education

All directors are encouraged to participate in continuing education programs throughout the year, including programs addressing legal, financial, regulatory and industry specific topics, including programs sponsored by nationally recognized educational organizations not affiliated with the Company. At a minimum, directors should attend pertinent seminars and sessions presented at the annual state and national trade group conferences.

7. CEO Evaluation, Executive Compensation and Management Succession

Formal Evaluation of the CEO. For purposes of reporting to the Board, the Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its Charter, and recommend appropriate levels of compensation of the CEO in terms of salary, bonus and other benefits. The Board of Directors will review the Compensation Committee's analysis and conclusions in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term and that CEO compensation is appropriate. The evaluation should be based on objective criteria, including the financial performance of the Company and the qualitative performance of the CEO.

Evaluation and Compensation of Executive Management. At the beginning of each year, the CEO shall review with the Compensation Committee the performance goals of the other members of executive management, and upon conclusion of each year, the CEO shall review with the Compensation Committee the extent to which these officers have accomplished their previously determined goals. In consultation with the CEO, the Compensation Committee shall evaluate the performance of the other members of executive management, and shall recommend to the Board appropriate levels of compensation for such other management in terms of salary, bonus and other benefits.

Succession Planning and Management Development. The Board shall coordinate with the CEO to ensure that an emergency successor is designated who could assume the CEO position if the CEO unexpectedly should be unavailable for service, updating this designation as appropriate. There should also be a formalized process governing long-term management development. The CEO should report to the Board annually about the development of senior management personnel and succession planning, which shall be approved by the Board.

8. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The assessment of the Board's performance

will be discussed annually among the Board. The assessment should specifically address weaknesses in Board structure and propose actions to be taken to correct them.

9. Confidentiality

It is essential that all directors maintain absolute confidentiality regarding Board discussions and decisions. Violations of this confidentiality obligation may constitute grounds for the removal of a board member for cause.

10. Codes of Conduct

The Company will at all times maintain Codes of Conduct/Ethics for its directors, officers and employees. The Codes, and all amendments to and waivers there from, shall be approved by the Board. As appropriate, the Codes of Ethics and Conflict of Interests Policy of the Bank may satisfy all or part of this requirement.

11. Secretary

Minutes of each Board meeting and Committee meeting will be compiled by the Company's Secretary who shall act as Secretary to the Board and each Committee, or in the absence of the Corporate Secretary, by any other person designated by the Chairman of the Board, or by a Committee, as the case may be.

12. Election of Directors

Any nominee for director in an uncontested election who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall tender his or her resignation for consideration by the Nominating and Corporate Governance Committee. The Committee shall recommend to the Board the action to be taken with respect to the resignation. Any Director who tenders his or her resignation pursuant to this provision shall not participate in the Committee's or the Board's deliberations as to whether to accept the resignation. The Board will publicly disclose its decision within 90 days of the certification of the election results.