

LAKELAND INDUSTRIES INC
Form PRE 14A
April 29, 2009

United States Securities and Exchange Commission
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

- Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to § 240.14a-12

Lakeland Industries, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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- (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Lakeland Industries, Inc.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on Wednesday, June 17, 2009

To Our Stockholders:

WHAT: Our 2009 Annual Meeting of Stockholders

WHEN: Wednesday, June 17, 2009, at 10:00 a.m., local time

WHERE: Holiday Inn
3845 Veterans Memorial Highway
Ronkonkoma, NY 11779

WHY: At this meeting, you will be asked to:

- (1) Elect three (3) directors for three years and until their respective successors have been elected and qualified;
- (2) Approve the adoption of to Lakeland's 2009 Restricted Stock Program;
- (3) Ratify the selection of Warren, Averett, Kimbrough & Marino LLC as our independent registered public accounting firm for the fiscal year ending January 31, 2010;
- (4) Transact any other business as may properly come before the Annual Meeting of Stockholders or any adjournments, postponements or reschedulings of the Annual Meeting of Stockholders.

A complete list of stockholders entitled to vote at the meeting will be open for examination by our stockholders, during regular business hours, for a period of ten days prior to the meeting, at 701 Koehler Avenue, Suite 7, Ronkonkoma, NY 11779. Only stockholders of record at the close of business on April 27, 2009 will receive notice of, and be eligible to vote at, the Annual Meeting of Stockholders or any adjournment thereof. The foregoing items of business are more fully described in the proxy statement accompanying this notice.

Your vote is important. Please read the proxy statement and the voting instructions on the enclosed proxy card. Then, whether or not you plan to attend the Annual Meeting of Stockholders in person, and no matter how many shares you own, please sign, date and promptly return the enclosed proxy card in the enclosed envelope, which requires no additional postage if mailed in the United States.

To reduce the expense of delivering duplicate voting materials to our stockholders who may have more than one Lakeland stock account, we may deliver only one set of the proxy statement and the Annual Report to Stockholders for the fiscal year ended January 31, 2009 to certain stockholders who share an address, unless otherwise requested. A separate proxy card is included in the voting materials for each of these stockholders. If your shares are registered directly in your name and you share an address with another stockholder and have received only one set of voting materials, but you would prefer to receive your own copy, please contact Lakeland Industries, Inc. by telephone at (631) 981-9700 or by mail at 701 Koehler Avenue, Suite 7, Ronkonkoma, NY 11779, or alternatively, please contact Investor Relations by telephone at (631) 367-1866 or by mail at jdarrow@darrowir.com. If your shares were held in an account at a bank, brokerage firm, or other agent or nominee and you have received only one set of voting

materials, but you would prefer to receive your own copy, please contact your bank, broker or agent.

May 9, 2009
Ronkonkoma, New York

By Order of the Board of Directors,

Christopher J. Ryan
Secretary

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Lakeland Industries, Inc.
LAKELAND INDUSTRIES, INC.
701 Koehler Avenue, Suite 7
Ronkonkoma, New York 11779
(631) 981-9700

PROXY STATEMENT
FOR THE ANNUAL MEETING OF STOCKHOLDERS
To Be Held on Wednesday, June 17, 2009
INFORMATION CONCERNING SOLICITATION AND VOTING

WHY DID YOU SEND ME THIS PROXY STATEMENT?

The Board of Directors of Lakeland Industries, Inc., a Delaware corporation, seeks your proxy for use in voting at our 2009 Annual Meeting of Stockholders (the "Annual Meeting") or at any postponements or adjournments of the Annual Meeting. Our Annual Meeting will be held at the Holiday Inn, located at 3845 Veterans Memorial Highway, Ronkonkoma, NY 11779, on Wednesday, June 17, 2009 at 10:00 a.m. local time. We intend to begin mailing this proxy statement, the attached notice of Annual Meeting and the accompanying white proxy card on or about May 9, 2009 to all record holders of our common stock, par value \$0.01, entitled to vote at the Annual Meeting. Along with this proxy statement, we are also sending our Annual Report on Form 10-K to stockholders for the fiscal year ended January 31, 2009 (the "Annual Report").

WHAT AM I VOTING ON?

At the Annual Meeting, stockholders will act upon the:

- (1) Election of three (3) directors for three years and until their respective successors have been elected and qualified;
- (2) Approval of the adoption of the Lakeland 2009 Restricted Stock Plan;
- (3) Ratification of the selection of Warren, Averett, Kimbrough & Marino LLC as our independent registered public accounting firm for the fiscal year ending January 31, 2010;
- (4) Transaction of any other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

WHO CAN VOTE?

Only holders of record of our common stock at the close of business on April 27, 2009, the record date, will receive notice of, and be entitled to vote at, our Annual Meeting. At the close of business on the record date, 5,397,966 shares of our common stock were outstanding and entitled to vote. Our common stock is our only class of outstanding voting securities.

Stockholder of Record: Shares Registered in Your Name

If, on April 27, 2009, your shares were registered directly in your name with our transfer agent, The Registrar and Transfer Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to sign, date and return the enclosed proxy card to ensure your vote is counted.

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Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Agent

If, on April 27, 2009, your shares were held, not in your name, but rather in an account at a bank, brokerage firm, or other agent or nominee, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your bank, broker or other agent or nominee on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a power of attorney or other proxy authority from your bank, broker or other agent or nominee, and bring it to our Annual Meeting.

WHAT CONSTITUTES A QUORUM?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares are represented by stockholders present at the meeting or by proxy. On the record date, there were 5,397,966 shares outstanding and entitled to vote. Thus, at least 2,698,984 shares must be represented by stockholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, a majority of the votes present at the meeting may adjourn the meeting to another date.

WHAT ARE THE VOTING RIGHTS OF THE HOLDERS OF OUR COMMON STOCK?

In deciding all matters, a holder of common stock on the record date will be entitled to cast one vote for each share of common stock registered in that holder’s name, on each matter to be voted upon at the Annual Meeting.

WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?

Proposal No. 1, the election of three directors, requires a plurality of the votes cast to elect a director. The three nominees receiving the most “For” votes (among votes properly cast in person or by proxy) will be elected. Only votes “For” will affect the outcome. Withheld votes or broker non-votes, as described below, will not affect the outcome of the vote on Proposal No. 1.

Proposal No. 2, approval of the LAKELAND 2009 Restricted Stock Program requires the affirmative vote of at least 50% of Lakeland common stock outstanding which are eligible to vote on the record date.

Proposal No. 3, the ratification of our independent registered public accounting firm, which will ratify the appointment of Warren, Averett, Kimbrough & Marino LLC as our independent registered public accounting firm, must receive a “For” vote by the majority of shares present or represented by proxy and entitled to vote. If you “Abstain” from voting, it will have the same effect as an “Against” vote. Broker non-votes will have no effect on the outcome of the vote.

HOW ARE VOTES COUNTED AND HOW ARE ABSTENTIONS AND BROKER NON-VOTES TREATED?

Votes will be counted by the inspector of election appointed for the Annual Meeting, who will separately count “For” votes, “Against” votes, abstentions, withheld votes and broker non-votes.

Votes withheld and abstentions are deemed as “present” at the Annual Meeting and are counted for quorum purposes. Votes withheld and abstentions will have the same effect as a vote against the matter with respect to Proposal No. 2, and Proposal No. 3, but will have no effect on Proposal No. 1.

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A “broker non-vote” is when a broker votes in its discretion on one or more “routine” matters, but does not receive instructions from a beneficial owner of shares as to how to vote those shares on “non-routine” matters. Broker non-votes will be counted for purposes of a quorum. As for the effect on the outcome of votes on proposals, under the current Nasdaq Stock Market rules, brokers have discretionary voting power to vote without receiving voting instructions from the owner on “routine” matters, but not on “non-routine” matters. Routine matters include, among other things, the uncontested election of directors and the ratification of the appointment of independent registered public accountants. There is one non-routine matter being voted on at this Annual Meeting. This means that if you hold your shares through a broker, bank or other nominee (that is, in “street name”), and do not provide voting instructions by the tenth day before the Annual Meeting, the broker, bank or other nominee will have the discretion to vote your shares on Proposal No. 1 and Proposal No. 3.

WHO WILL BEAR THE COSTS OF SOLICITING PROXIES FOR THE ANNUAL MEETING?

We are soliciting the proxies and will bear the entire cost of this solicitation, including the preparation, assembly, printing and mailing of this proxy statement and any additional materials furnished to our stockholders. The Company has retained Georgeson, Inc., a proxy solicitation firm, for assistance in connection with the solicitation of proxies for the Annual Meeting at a cost of \$7,500 plus reimbursement of reasonable out-of-pocket expenses. In addition to the use of the mails, proxies may be solicited personally or by telephone by officers and employees of the Company who will not receive any additional compensation for their services. Proxies and proxy material will also be distributed at our expense by brokers, nominees, custodians, and other similar parties.

HOW DO I VOTE IF I ATTEND THE ANNUAL MEETING?

If you are a stockholder of record, you can attend the Annual Meeting and vote in person the shares you hold directly in your name on any matters properly brought before the Annual Meeting. If you choose to do that, please bring the enclosed proxy card or proof of identification. If you want to vote in person at our Annual Meeting and you hold our common stock through a bank, broker or other agent or nominee, you must obtain a power of attorney or other proxy authority from that organization and bring it to our Annual Meeting. Follow the instructions from your bank, broker or other agent or nominee included with these proxy materials, or contact your bank, broker or other agent or nominee to request a power of attorney or other proxy authority. If you vote in person at the Annual Meeting, you will revoke any prior proxy you may have submitted.

HOW DO I VOTE IF I DO NOT ATTEND THE ANNUAL MEETING?

Stockholders of record who do not attend the Annual Meeting should vote by mail: Please sign, date and return the enclosed proxy card in the enclosed postage-paid return envelope.

By executing and returning the enclosed proxy card, you are authorizing the individuals listed on the proxy card to vote your shares in accordance with your instructions.

If you are a beneficial owner of shares registered in the name of your bank, broker or other agent or nominee, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. If you did not receive a proxy card, please follow the instructions from your bank, broker or other agent or nominee included with these proxy materials, or contact your bank, broker or other agent or nominee to request a proxy card.

WHAT IF I DO NOT SPECIFY HOW MY SHARES ARE TO BE VOTED ON THE PROXY CARD?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted as follows:

- (1) FOR the election of the three nominees for director proposed by the Board of Directors;
- (2) FOR the approval of the adoption of the Lakeland 2009 Restricted Stock Program;
- (3) FOR the ratification of the selection of Warren, Averett, Kimbrough & Marino LLC as our independent registered public accounting firm for the fiscal year ending January 31, 2010; and

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If any other matter is properly presented at the meeting, the individuals named on your proxy card will vote your shares using their best judgment.

YOUR VOTE IS VERY IMPORTANT, NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN. PLEASE SIGN AND DATE THE ENCLOSED WHITE PROXY CARD AND RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE PROMPTLY.

WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD FROM LAKELAND?

If you receive more than one proxy card from us or your bank, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted.

HAS THE LAKELAND BOARD OF DIRECTORS MADE A RECOMMENDATION REGARDING THE MATTERS TO BE ACTED UPON AT THE ANNUAL MEETING?

Our Board of Directors recommends that you vote "FOR" the election of its three nominees for director, "FOR" the adoption of the 2009 Lakeland Restricted Stock Program, "FOR" the ratification of the selection of Warren, Averett, Kimbrough & Marino LLC as our independent registered public accounting firm for the fiscal year ending January 31, 2010. Please vote on the enclosed proxy card.

CAN I CHANGE MY VOTE?

Yes. You may revoke your proxy by doing any of the following:

- (1) You may send a written notice that you are revoking your proxy to our Corporate Secretary at the address indicated below, so long as it is received prior to the Annual Meeting.
- (2) You may submit another properly completed proxy card with a later date to the Company, so long as it is received prior to the Annual Meeting.
- (3) You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

Any written notice of revocation, or later dated proxy card, should be delivered to:

Lakeland Industries, Inc.
701 Koehler Avenue, Suite 7
Ronkonkoma, New York 11779
Attention: Christopher J. Ryan, Secretary

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

HOW CAN I FIND OUT THE RESULTS OF THE VOTING AT THE ANNUAL MEETING?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in our quarterly report on Form 10-Q for the second quarter of FY 2010 ending July 31, 2009.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

GENERAL

Our Board of Directors, or the Board, consists of seven directors. As indicated below, each nominee for re-election will be elected for a three-year term, which will expire at the 2012 Annual Meeting of Stockholders and until their successors are duly elected and qualified or until any such director's earlier resignation or removal. Our Board's nominees are Stephen M. Bachelder, Chairman of the Nominating and Governance Committee and director/member of the Audit and Compensation Committees, John J. Collins, director/member of the Nominating and Governance Committee, the Audit Committee and the Compensation Committee and Eric O. Hallman, Chairman of the Compensation Committee and director/member of the Nominating and Governance Committee and the Audit Committee, all of whom are currently serving as Directors. Our Nominating and Governance Committee (excluding members who are nominees) considered the qualifications of each of the Board's nominees for election prior to the Annual Meeting, and unanimously recommended that each nominee be submitted for re-election to the Board.

Directors are elected by a plurality of the votes properly cast in person or by proxy. If a quorum is present and voting, the three nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxy cards will be voted, if authority to do so is not withheld, for the election of the three nominees named below. Abstentions and broker non-votes will have no effect on the votes. If any Board nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee determined by our Board. Each person nominated by the Board for election has agreed to serve if elected. We have no reason to believe that any Board nominee will be unable to serve.

The name and age of each director nominee, his position with us and the year in which he first became a director is set forth below:

INCUMBENT DIRECTORS - CLASS II
and NOMINEES FOR ELECTION
Terms Expiring in June 2012

Name	Age	Position	Director Since
Stephen M. Bachelder	57	Director	2004
John J. Collins, Jr.	65	Director	1986
Eric O. Hallman	64	Director	1982

The principal occupations and employment of the nominees for director are set forth below:

Nominee Directors

Stephen M. Bachelder was an executive and President of Swiftview, Inc. a Portland, Oregon based software company from 2002-2007. Swiftview, Inc. was sold to a private equity firm in October 2006. Mr. Bachelder is currently working on plans for a new venture. From 1991 to 1999 Mr. Bachelder ran a consulting firm advising technology

companies in the Pacific Northwest. Mr. Bachelder was the president and owner of an apparel company, Bachelder Imports, from 1982 to 1991 and worked in executive positions for Giant Foods, Inc. and Pepsico, Inc. between 1976 and 1982. Mr. Bachelder is a 1976 Graduate of the Harvard Business School. Mr. Bachelder has served as a director since 2004 and his term as a director will expire at our Annual Meeting of Stockholders in June 2009.

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John J. Collins, Jr. was Executive Vice President of Chapdelaine GSI, a government securities firm, from 1977 to January 1987. He was Senior Vice President of Liberty Brokerage, a government securities firm, between January 1987 and November 1998. Presently, Mr. Collins is self-employed, managing a direct investment portfolio of small business enterprises for his own accounts. Mr. Collins has served as one of our directors since 1986 and his term as a director will expire at our Annual Meeting of Stockholders in June 2009.

Eric O. Hallman was President of Naess Hallman Inc., a ship brokering firm, from 1974 to 1991 owned equally by Arne Naess and Mr. Hallman. Mr. Hallman was also affiliated between 1991 and 1992 with Finanshuset (U.S.A.), Inc., a ship brokering and international financial services and consulting concern, and was the Owners Representative of Sylvan Lawrence, the then largest privately owned commercial real estate development company in New York City, between 1992 and 1998. Between 1998 and 2000, Mr. Hallman was President of PREMCO, a real estate management company, and currently is Comptroller of the law firm Murphy, Bartol & O'Brien, LLP. Mr. Hallman has served as one of our directors since our incorporation in 1982 and his term as a director will expire at our Annual Meeting of Stockholders in June 2009.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE ELECTION OF THE CLASS II NOMINEES LISTED ABOVE.

INCUMBENT DIRECTORS- CLASS III

Terms Expiring in June 2010

Name	Age	Position	Director Since
Raymond J. Smith	69	Chairman of the Board of Directors	1982
Duane W. Albro	62	Director	2009

INCUMBENT DIRECTORS - CLASS I
AND NOMINEES FOR ELECTION
Terms Expiring in June 2011

Name	Age	Position	Director Since
Christopher J. Ryan	57	Chief Executive Officer, President, General Counsel, Secretary and Director	1986
A. John Kreft	58	Director	2004

Incumbent Directors

Raymond J. Smith, one of the co-founders of Lakeland, has been Chairman of our Board of Directors since our incorporation in 1982 and was President from 1982 to November 30, 2003. Prior to starting Lakeland, Mr. Smith was a Sales Executive with the International Paper Company (NYSE: IP) from 1961 to 1966, then the President of Abandaco, Inc. from 1966 to 1982. Mr. Smith received his B.A. from Georgetown University in 1960. Mr. Smith has served as a director since 1982 and his term as a director will expire at our Annual Meeting of Stockholders in 2010.

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Christopher J. Ryan has served as our Chief Executive Officer and President of Lakeland since November 30, 2003, Secretary since April 1991, General Counsel since February 2000 and a director since May 1986. Mr. Ryan was our Executive Vice President - Finance from May 1986 until becoming our President on November 30, 2003. Mr. Ryan also worked as a Corporate Finance Partner at Furman Selz Mager Dietz & Birney, Senior Vice President-Corporate Finance at Laidlaw Adams & Peck, Inc., Managing-Corporate Finance Director of Brean Murray Foster Securities, Inc and Senior Vice President-Corporate Finance of Rodman & Renshaw, respectively between 1983-1991. Mr. Ryan has served as a Director of Lessing, Inc., a privately held restaurant chain based in New York, from 1995-2008. Mr. Ryan received his BA from Stanford University, his MBA from Columbia Business School and his J.D. from Vanderbilt Law School. Mr. Ryan is a member of the National Association of Corporate Directors (NACD). Mr. Ryan has served as a director since 1986 and his term as a director will expire at our Annual Meeting of Stockholders June 2011.

A. John Kreft has been President of Kreft Interests, a Houston based private investment firm, since 2001. Between 1998 and 2001, he was CEO of Baker Kreft Securities, LLC, a NASD broker-dealer. From 1996 to 1998, he was a co-founder and manager of TriCap Partners, a Houston based venture capital firm. From 1994 to 1996 he was employed as a director at Alex Brown and Sons. He also held senior positions at CS First Boston including employment as a managing director from 1989 to 1994. Mr. Kreft received his MBA from the Wharton School of Business in 1975. Mr. Kreft is a member of the National Association of Corporate Directors (NACD). Mr. Kreft has served as a director since November 17, 2004 and his term as a director will expire at our Annual Meeting of Stockholders in June 2011.

Duane W. Albro has been the President and CEO of WVT Communications (NASDAQ: WWVY) since May 2007. From 2005 to 2006, he was President and CEO of Refinish LP, a privately held company in the cellular phone refurbishing business. From 2004 to 2005 he was a business consultant with the Gerson Lehrman Group in NY, NY, providing strategic and tactical analysis and advice to investors and businesses. He has extensive experience in the telecommunications and cable TV industry having worked in executive positions at Cablevision, Net2000 Communications, Bell Atlantic and Nynex between 1966 and 2003. He has also been active in supporting the positive impact of telecommunications used in education, having served on a White House Advisory Council on Technology in Education and provided testimony to Congress on the benefits of technology used in education. Mr. Albro has demonstrated his commitment to workforce issues as the founder, Chairman and President of the Long Island Works Coalition, a non-profit organization dedicated to enhancing the available workforce for technology industries. Mr. Albro holds an MBA from New York Institute of Technology. Mr. Albro was elected to our Board on April 17, 2009 and will join Mr. Smith as a Class III director.

DIRECTORS' COMPENSATION

Members of the Board of Directors, in their capacity as directors, are reimbursed for all travel expenses to and from meetings of the Board or Committee meetings. Non-Employee or Outside Directors received \$6,250 quarterly as compensation for serving on the Board and its committees, committee chairmen receive an additional \$500 quarterly. In addition, Directors receive only \$500 if they attend meetings by telephone, but \$1,500 for meetings attended in person. There are no charitable awards or director legacy programs and no deferred compensation programs for Directors. In their deliberations relating to directors' compensation, the Compensation Committee reviewed a study conducted by the National Association of Corporate Directors and the Center for Board Leadership, entitled "2006-2007 Director Compensation Report". Messrs. Collins, Hallman, Kreft, and Cirenza (a recently retired director) participate in our Non-Employee Directors' Option Plan and 2006 Equity Incentive Plan. There has been no increase in board compensation for three years.

The following table sets forth compensation information for the fiscal year ended January 31, 2009 (sometimes referred to in this proxy statement as "FY09") for each member of the Board of Directors who is not also an executive

officer. Christopher J. Ryan and Raymond J. Smith, as employee directors, were not compensated for their service on our Board. Disclosures relating to compensation for Messrs. Smith and Ryan can be found in “Executive Officers – Executive Compensation” below.

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DIRECTOR COMPENSATION TABLE FOR FISCAL 2009

Name	Fees Earned or Paid in Cash* (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)(2)	Non- Equity Incentive Plan Compens ation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation Reimbursed Expenses (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
A Eric O. Hallman	\$35,500	\$11,528	--	--	--	\$378	\$47,406
B John J. Collins	\$33,500	\$9,607	--	--	--	687	\$43,794
C Michael Cirenza (3)	\$36,500	\$11,528	\$10,514	--	--	--	\$58,542
D A. John Kreft	\$33,000	\$14,310	\$10,514	--	--	1,259	\$59,083
E Stephen M. Bachelder	\$34,000	\$9,607	\$10,514	--	--	958	\$55,079
F Duane W. Albro	\$0	--	--	--	--	---	\$0

(1) Represents the dollar amount recognized by us for financial statement purposes for fiscal 2009 in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payments ("SFAS 123 (R)").

(2) At January 31, 2009 our non-employee directors owned the following unexercised options: Mr. Hallman 2,431, Mr. Collins 2,431, Mr. Kreft 6,050, Mr. Bachelder 6,050.

(3) Resigned from the Board of Directors on February 11, 2009

We currently grant stock options to our directors under our 'non-employee directors' option plan (the "Directors' Plan"), which provides for an automatic one-time grant of options to purchase 5,000 shares of common stock to each non-employee director newly elected or appointed to the Board of Directors. Under the Directors' Plan, 60,000 shares of common stock have been authorized for issuance. Options are granted at not less than fair market value, become exercisable commencing six months from the date of grant and expire six years from the date of grant. In addition, all non-employee directors re-elected to the Company's Board of Directors at any annual meeting of the stockholders will automatically be granted additional options to purchase 1,000 shares of common stock on that date which in accordance with the By-Laws is always the third Wednesday of June each year. Grants of 1,000 options each to Messrs. Bachelder, Cirenza and Kreft were made pursuant to the Directors' Plan in 2008.

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The following table sets forth information with respect to outstanding unvested performance based awards under our 2006 Equity Incentive Plan that were made to our non-employee directors in June 2006 that are represented in the number of minimum, baseline and maximum number of shares that may be awarded at the end of the performance cycle in June 2009.

Grantee	Minimum#	Baseline#	Maximum
Directors	of Shares	of Shares	# of
	(1)		Shares
Michael M. Cirenza	2,640	5,170	7,810
John J. Collins, Jr.	2,200	4,290	6,490
Eric O. Hallman	2,640	5,170	7,810
Stephen M. Bachelder	2,640	5,170	7,810
A. John Kreft	2,200	4,290	6,490

(1)Based on our closing stock price on January 31, 2009, at the minimum level these awards have the following values, Messrs. Cirenza, Hallman and Bachelder: \$20,354 and Messrs. Collins and Kreft: \$16,962.

CORPORATE GOVERNANCE

Director Independence

Our Board is currently composed of seven directors. As required under the Marketplace Rules of the NASDAQ Stock Market LLC (“NASDAQ”), a majority of the members of a NASDAQ listed company’s board of directors must qualify as “independent,” as affirmatively determined by the Company. Our Board consults with our counsel to ensure that the Board’s determinations are consistent with all relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in pertinent NASDAQ Marketplace Rules, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, our senior management and our independent registered public accounting firm, the Board affirmatively has determined that, other than Raymond J. Smith, Chairman and founder of the Company and Christopher J. Ryan, who is our CEO, President, General Counsel and Secretary, each of the members of our Board is an independent director for purposes of the NASDAQ Marketplace Rules. In making this determination, the Board found that none of these directors or nominees for director has a direct or indirect material or other disqualifying relationship with us, which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board holds executive sessions of its independent directors when it deems necessary but at least once per year.

Board and Committee Meetings and Attendance

The Board has three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. Each of these committees operates under a written charter adopted by the Board. Copies of these charters are available on our website at www.lakeland.com under the headings Investor Relations – Corporate Governance. Board committee charters are also available in print to stockholders upon request, addressed to the Corporate Secretary, at 701 Koehler Avenue, Suite 7, Ronkonkoma, New York 11779.

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The Board held seven meetings during the fiscal year ended January 31, 2009. Each director attended at least 75% of the aggregate of the meetings of the Board and of the committees, on which he served, held during the period for which he was a director or committee member, respectively. The following table sets forth the standing committees of the Board, the number of meetings held by each committee and the membership of each committee currently.

Name	Audit	Compensation	Nominating & Governance
Alfred J. Kreft	Chairman	Member	Member
Stephen Bachelder	Member	Member	Chairman
Eric O. Hallman	Member	Chairman	Member
John J. Collins	Member	Member	Member
Michael Cirenza (retired 2/11/09)	Chairman	Member	Member
Number of Meetings held in FY09	5	1	2

Audit Committee

Our Audit Committee currently consists of A. John Kreft (Chairman), Stephen Bachelder, Eric O. Hallman and John J. Collins. The Board annually reviews the definition of independence for Audit Committee members and has determined that all members of our Audit Committee are independent (as independence is currently defined in Rule IM-5605-4 of the NASDAQ Marketplace Rules). Our Board has determined that Mr. Kreft is an “audit committee financial expert,” as such term is defined in applicable rules and regulations based on, among other things, he has an MBA in finance from the Wharton School of Business, 4 ½ years experience with two “Big 4” accounting firms, 17 years of investment banking/underwriting/advisory services with several brokerage firms such as Credit Suisse and Alex Brown and 3 years as CEO of a NASD broker dealer. Mr. Kreft has held at various times 5 levels of security licenses including General Securities Principal.

The formal report of our Audit Committee is included in this proxy statement. The Audit Committee’s responsibilities include, among other things:

- the oversight of the quality of our consolidated financial statements and our compliance with legal and regulatory requirements;
- the selection, evaluation and oversight of our independent registered public accountants, including conducting a review of their independence, determining fees for our independent registered public accountants, overseeing the independent registered public accountants’ audit work, and reviewing and pre-approving any non-audit services that may be performed by them;
- the oversight of annual audit and quarterly reviews, including review of our consolidated financial statements, our critical accounting policies and the application of accounting principles and any material related-party transactions; and

- the oversight of financial reporting process and internal controls, including a review of the adequacy of our accounting and internal controls and procedures.

Compensation Committee

Our Compensation Committee currently consists of Eric O. Hallman (Chairman), A. John Kreft, Stephen Bachelder and John J. Collins, each of whom is an independent director (as independence is currently defined in Rule IM-5605-4 of the NASDAQ Marketplace Rules). This proxy statement includes the report of our Compensation Committee and management's Compensation Discussion & Analysis, included under the heading "Executive Compensation" herein, which focuses on executive compensation. Our Compensation Committee's role includes setting and administering the policies governing the compensation of executive officers, including cash compensation and equity incentive programs, and reviewing and establishing the compensation of the Chief Executive Officer and other executive officers. Our Compensation Committee's principal responsibilities, which have been authorized by the Board, are:

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- approving the compensation for the Chief Executive Officer and other executive officers (after considering the recommendation of our Chief Executive Officer with respect to the form and amount of compensation for executive officers other than the Chief Executive Officer);
- approving the amount of and vesting of equity awards; and
- advising the Board on our compensation and benefits matters, including making recommendations and decisions where authority has been granted regarding our restricted stock plan, bonuses and incentive compensation plans.

Our Compensation Committee does not delegate any of its responsibilities to other committees or persons. Participation by executive officers in the recommendation or determination of compensation for executive officers or directors is limited to (i) recommendations our Chief Executive Officer makes to our Compensation Committee regarding the compensation of executive officers other than himself and (ii) our Chief Executive Officer's participation in Board determinations of compensation for non-employee directors.

Nominating and Governance Committee

Our Nominating and Governance Committee currently consists of Stephen Bachelder (Chairman), A. John Kreft, Eric O. Hallman and John J. Collins, each of whom is an independent director (as independence is currently defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules). The purpose of the Nominating and Governance Committee is to identify, screen and recommend to the Board qualified candidates to serve as directors, to develop and recommend to the Board a set of corporate governance principles applicable to us, and to oversee corporate governance and other organizational matters. The Nominating and Governance Committee's 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 or 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.

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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 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 delivered to, or mailed and received by the Corporate Secretary not earlier than the one hundred fiftieth (150th) calendar day, and not later than the close of business on the one hundred twentieth (120th) calendar day, prior to the first anniversary of the immediately preceding year's Annual Meeting of Stockholders.

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

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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.

Director Attendance at Annual Stockholder Meetings

We expect that each of our directors attend our Annual Stockholder Meetings, as provided in our Corporate Governance Guidelines. All of our directors were in attendance at the June 17, 2008 Annual Meeting of Stockholders.

Corporate Governance Guidelines and Practices

We are committed to good corporate governance practices and as such we have adopted formal Corporate Governance Guidelines. A copy of the Corporate Governance Guidelines may be found at our website at www.lakeland.com by following the headings "Financial Information/Corporate Governance." Below are some highlights of our corporate governance guidelines and practices:

- o Board Independence. We believe that the Board should be comprised of a substantial majority of independent directors and that no more than two management executives may serve on the Board at the same time. Currently, the Board has seven directors, five of whom are independent directors under the Marketplace Rules and only one who is an active member of management.
- o Board Committees. All of our Board committees consist entirely of independent directors.
- o Chairman, CEO and Lead Independent Director. The offices of Chairman and Chief Executive Officer are held by two different people. In our case the Chairman is not an independent director, thus the Board's policy is to designate one of the independent directors to serve as the Lead Independent Director to preside at executive sessions of the independent directors, where any possible conflicts could arise.
- o Executive Session of Independent Directors. The Board's current practice is to hold an executive session of its independent directors at least once a year. In FY 2009, the independent members of our Board met in executive session three times.

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Independent Advisors. The Board and each committee has the power to hire independent legal, financial or other advisors at any time as they deem necessary and appropriate to fulfill their Board and committee responsibilities.

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oDirectors Are Subject to our Code of Conduct. Board members must act at all times in accordance with the requirements of our Code of Conduct. This obligation includes adherence to our policies with respect to conflicts of interest, ethical conduct in business dealings and respect for and compliance with applicable law. Any requested waiver of the requirements of the Code of Conduct with respect to any individual director or executive officer must be reported to, and subject to, the approval of the Board, or the Audit Committee.

oBoard Engagement. The Board has regularly scheduled presentations from our finance, products, sales and marketing departments. The Board's annual agenda also includes, among other items, the long-term strategic plan for us as well as management succession planning.

oNo Corporate Loans. Our stock plans and practices prohibit us from making corporate loans to employees for the exercise of stock options or for any other purpose.

oNew Director Orientation. New directors are provided with orientation information designed to familiarize new directors with our businesses, strategies and challenges, and to assist new directors in developing and maintaining the skills necessary or appropriate for the performance of their responsibilities.

Code of Ethics

The Board adopted our Code of Ethics on December 1, 2000 that applies to all officers, directors and employees. The Code of Ethics is available on our website at www.lakeland.com under the headings "Investor Relations/Corporate Governance." Amendments to, and waivers from, the Code of Ethics will be disclosed at the same website address provided above and in such filings as may be required pursuant to applicable law or listing standards. We intend to satisfy the disclosure requirement under Item 5.05(c) of Form 8-K regarding certain amendments to, or waivers from a provision of this code of ethics by posting such information on our website at www.lakeland.com under "Corporate Governance".

Whistleblower Procedures

In accordance with the Sarbanes-Oxley Act of 2002, the Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by our employees of concerns regarding accounting or auditing matters. 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.

Director and Executive Officer Stock Transactions

Under the regulations of the SEC, directors and executive officers are required to file notice with the SEC within two (2) business days of any purchase or sale of the Company's stock. Information on filings made by any of our directors or executive officers can be found on the Company's website at <http://www.lakeland.com> under "Investor Relations" then "Insiders, or "all SEC filings" Form 4(s)"

RECOMMENDATION

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE
ELECTION OF THE BOARD'S THREE NOMINEES IDENTIFIED ABOVE
IN PROPOSAL NO. 1 ON THE PROXY CARD

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PROPOSAL NO. 2

PROPOSAL TO APPROVE THE LAKELAND INDUSTRIES, INC. 2009

RESTRICTED STOCK INCENTIVE PLAN AND THE PERFORMANCE GOALS SET FORTH THEREIN

(Item 2 on Proxy Card)

General

The Board of Directors adopted the Lakeland Industries, Inc 2009 Restricted Stock Incentive Plan (the “2009 Incentive Plan” or the “Plan”) on April 13, 2009, subject to approval of the Company’s shareholders. The 2009 Incentive Plan is intended to provide equity-based compensation to executive officers and other key employees of the Company, its subsidiaries and affiliates. The Plan also provides for the establishment of performance goals that will be used to define the vesting period for performance-based equity awards granted under the Plan. If approved by shareholders at the Annual Meeting, the Plan will become effective immediately. The Plan and the performance goals are discussed in more detail below. The full text of the 2009 Incentive Plan is included as Exhibit A to this Proxy Statement. The following description of the material features of the 2009 Incentive Plan is qualified in its entirety by reference to that text.

The grant or award of equity-based incentives is intended to enable the Company to attract, retain and reward key employees and to strengthen the mutuality of interests between key employees and the Company’s shareholders. Thus, in 2009, the Company plans to grant restricted stock in lieu of stock options as the primary equity-based incentive for executives and other key employees. The Company believes that, among other benefits, the transition from stock options to restricted stock awards will result in a better alignment between the interests of executives and other key employees and the Company’s shareholders, will permit recipients to more easily understand the value of the grants received and will promote the accuracy and transparency of the Company’s financial reporting. Performance goals will be established by the Compensation Committee of the Board of Directors (the “Committee”).

Shareholder Approval Requirements

The Plan is being submitted to the Company’s shareholders for approval pursuant to Sections 162(m) and 422 of the Internal Revenue Code, as amended (the “Code”). Section 162(m) of the Code limits to \$1 million per year the deduction allowed for Federal income tax purposes for remuneration paid to a “covered employee” of a public company (“Deduction Limit”). Under Section 162(m), the term “covered employee” includes the chief executive officer and the four other most highly compensated executive officers. The Deduction Limit applies to remuneration which does not qualify for any of the limited number of exceptions provided for in Section 162(m).

Under Section 162(m), the Deduction Limit does not apply to “performance-based compensation” if the following requirements are met: (a) the compensation must be payable on account of the attainment of one or more pre-established objective performance goals; (b) the performance goals must be established by a compensation committee of the Board of Directors that is comprised solely of two or more “independent directors”; (c) the material terms of the compensation and performance goals must be disclosed to and approved by shareholders before payment; and (d) the compensation committee must certify in writing that the performance goals have been satisfied prior to payment.

However, restricted stock that vests after the expiration of a specific period of time, rather than upon the achievement of pre-established performance goals, will not be exempt from the Deduction Limit, and the income realized in connection with such time-based restricted stock will be included, together with other non-exempt compensation, to

determine whether a specific covered employee's compensation exceeds the Deduction Limit.

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Stock options, on the other hand, are generally treated as “performance-based compensation” which is exempt from the Deduction Limit of Section 162(m), provided that the exercise price is equal to or greater than the fair market value of the employer’s stock on the date of grant. Under these circumstances, the amount earned, if any, results solely from an increase in the employer’s stock price. The awards must be approved by a board committee comprised solely of independent directors. Further, to qualify for the exemption, the material terms of the plan must be disclosed to and approved by shareholders and the plan must state the maximum number of shares that may be awarded to any employee under the plan within a specified period.

If the shareholders fail to approve the 2009 Incentive Plan, the Plan will not become effective. In that event, the Board of Directors may consider adopting other incentive programs without any shareholder approval, provided the Company can do so in compliance with applicable laws, in order to maintain the competitiveness of the Company’s executive compensation program, and some or all of the compensation earned under such a program might likewise be subject to the Deduction Limit.

Administration

The 2009 Incentive Plan will be administered by the Committee, although under the Plan the Committee may delegate aspects of the day-to-day administration of the Plan to officers, employees or agents of the Company. The Committee consists of not less than three directors of the Company, all of whom are “independent” directors, as defined in Section 162(m) of the Code, and “non-employee” directors, as defined in Rule 16b-3 under the Securities Exchange Act of 1934 (the “1934 Act”). Committee members serve at the pleasure of the Board.

The Committee will have full power to interpret and administer the 2009 Incentive Plan, and full authority to select the individuals to whom awards will be granted. It will determine the type and amount of awards to be granted, the consideration (if any) to be paid for such awards, the timing of such awards, the terms and conditions of awards granted, and the terms and conditions of the related award agreements which will be entered into with any executive or other key employee to whom an award is granted under the Plan (“Participant”). As to time-based restricted stock, the Committee will also determine the time periods and other conditions upon which such restricted shares will vest.

The Committee will also have the authority to adopt, alter, change and repeal such rules, regulations, guidelines and practices governing the 2009 Incentive Plan as it deems advisable, to interpret the terms and provisions of the Plan and any award issued under the Plan (and any award agreement relating thereto), and otherwise to supervise the administration of the Plan.

Eligibility

Officers, directors and other key employees of the Company and its subsidiaries and affiliates who are responsible for or contribute to the management, growth or profitability of the business of the Company, its subsidiaries or affiliates (“Eligible Persons”) will be eligible to receive awards under the Plan. “Affiliate” is defined under the Plan to mean any entity (other than the Company and its subsidiaries) that is designated by the Board as a participating employer under the Plan.

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Stock Subject to the Plan

The total number of the Company’s Common Shares, \$0.01 par value, reserved and available for awards under the Plan is 253,000, subject to adjustment as discussed below. All shares issued under the Plan will consist only of authorized and unissued shares or treasury shares. The closing price of the Company’s Common Shares on the NASDAQ on April 27, 2009, was \$7.46 per share.

The categories and number of shares in each category presently contemplated for issuance under the Plan by the Committee are as follows:

Restricted stock grants – employees	132,000
Restricted stock grants – directors	44,000
Matching award program	33,000
Bonus in stock program – employees	33,000
Retainer in stock program – directors	11,000
Total	253,000

No Participant may be granted awards under the Plan with respect to an aggregate of more than 33,000 shares of stock (subject to adjustment as described below) during any calendar year.

If any stock subject to any award granted under the Plan is forfeited, or an award otherwise terminates or expires without the issuance of stock, such stock will again be available for distribution in connection with future awards under the Plan, unless the Participant has received dividends or other “benefits of ownership” with respect to such stock as defined in the Plan. In such a case, the shares which were the subject of the award in question will not be available for future awards.

In the event of any merger, reorganization, consolidation, recapitalization, share dividend, share split, reverse share split, combination of shares or other change in the corporate or capital structure of the Company affecting the Company’s Common Shares, an appropriate substitution or adjustment will be made in (i) the aggregate number of shares of stock reserved for issuance under the Plan, (ii) the maximum number of shares that may be subject to awards granted under the Plan to any Eligible Person during any calendar year or other period, (iii) the number and option exercise price of shares subject to outstanding options granted under the Plan, and (iv) the number of shares subject to restricted stock awards granted under the Plan, as may be approved by the Committee to prevent dilution or enlargement of rights, and (v) the ability to accelerate vesting periods.

Restricted Stock

Performance Goals

For restricted stock awards that are performance based, the Committee will from time to time establish performance goals and other conditions that must be satisfied as a condition to vesting under the Plan. Such performance goals,

which serve as guidelines only for the Committee members, may include one or more of the following measures, as determined by the Committee: Return on Equity (ROE), Return on Investment (ROI), Return on Assets (ROA), Sales, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), or Earnings Per Share (EPS). Performance goals may be measured on a Company-wide, subsidiary or business-unit basis, or any combination thereof, as determined by the Committee and the Committee reserves the right to alter, amend or waive the necessity for achievement of specific goals in its discretion. Performance goals may also reflect the performance of the Company, a subsidiary or business unit alone, or may involve a relative comparison of such

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performance to the performance of a peer group of entities or other external measure selected by the Committee. As a general matter, the Committee presently intends to establish goals that measure performance over a three year period, at the end of which an evaluation will be made by the Committee, in its judgment, as to the degree to which the goals have been met. The Committee will designate, based on its judgment of Company performance, one of the three categories for the stock plan: Zero, baseline or maximum.

General Terms and Conditions for Restricted Stock Awards

Restricted stock awarded under the Plan will be subject to the following terms and conditions and will contain such additional terms and conditions as the Committee deems advisable:

- o The purchase price will be determined by the Committee at the time of grant and may be equal to par value, zero or otherwise.
- o A Participant who accepts the award of restricted stock must deliver an executed copy of the Restricted Stock Award Agreement to the Company and pay the required purchase price (if any).
- o Each Participant will receive a stock certificate registered in his or her name that bears a legend referring to the terms, conditions and restrictions applicable to the award.
- o The stock certificates evidencing such shares of restricted stock with a related stock power will be delivered to and held by the Company until the restrictions have lapsed or any conditions to the vesting of such award have been satisfied.
- o At the discretion of the Company, such stock may be held in book entry form. In such event, no stock certificates will be issued to the Participant.
 - o Restricted stock awards may include either time-based or performance-based restricted stock, or both. Awards of time-based restricted stock will vest, and all restrictions thereon will terminate, upon the lapse of the period of time specified by the Committee at the time of grant, provided all other conditions to vesting have been met. Performance-based restricted stock awards will vest and all restrictions thereon will terminate upon the certification by the Committee of the achievement of the specified performance goals, provided all other conditions to vesting have been met.
- o Except as permitted by the Committee or by will or the laws of descent and distribution, a Participant will not be permitted to sell, transfer, pledge, assign or otherwise encumber the shares of restricted stock.
- o Except as provided in the Plan or the applicable award agreement, a Participant will have all of the rights of a shareholder of the Company, including the right to vote the stock and the right to receive any dividends declared by the Board of Directors. At the time of the award, the Committee may permit or require the payment of cash dividends to be deferred and, if the Committee so determines, reinvested in additional restricted stock to the extent shares are then available or otherwise reinvested. Stock dividends will be treated as restricted stock subject to the same restrictions, terms and conditions applicable to the Plan shares.
- o If a Participant's employment by the Company or any subsidiary or affiliate terminates by reason of death or permanent disability, any restricted stock held by such Participant at the time of death as to which restrictions remain at the time of such death or permanent disability shall immediately lapse. However, if, in the case of such death or disability the vesting of an award is conditioned on or subject to the achievement of specified performance goals, and such performance goals must be achieved prior to the earlier of the expiration of such one year period or

the expiration date of the award, such stock will vest, or such restrictions shall lapse, as of the date of such death or disability. The balance of the restricted stock will be forfeited.

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o Unless otherwise determined by the Committee, and except for a “qualifying retirement” (discussed below), if a Participant’s employment by the Company or any subsidiary or affiliate terminates for any reason other than death or disability, all restricted stock held by such Participant which is unvested or subject to restriction at the time of such termination will be immediately forfeited.

o If a Participant’s employment with the Company or any of its subsidiaries or affiliates terminates for any reason other than death, disability or the involuntary termination for cause (as defined in the Plan), and if immediately prior thereto (i) the Participant is 55 years of age or older, and (ii) the sum of the Participant’s age and completed years of service as an employee of the Company or its subsidiaries or affiliates (disregarding fractions in both cases) totals 70 or more (a “qualifying retirement”), the following provisions will apply:

o All shares of restricted stock which have previously vested will be free of restrictions.

o With respect to any time-based restricted stock award which has not vested, effective as of the Participant’s retirement date:

§ (a) fifty percent (50%) of the award will remain in effect and, on the vesting date, shall become vested and free of restrictions;

§ (b) fifty percent (50%) of the award will be terminated.

o With respect to any performance-based restricted stock award which has not vested, effective as of the Participant’s retirement date: (a) fifty percent (50%) of the award will remain in effect and will vest upon the achievement of the related performance goals (unless an award expires according to its terms prior to the satisfaction of the performance goals, in which event the award will terminate and applicable shares of restricted stock will be forfeited); and (b) fifty percent (50%) of the award will terminate. However, in the case of the Chief Executive Officer or a member of his or her direct reporting group who has given the Company written notice at least one (1) full year prior to his or her qualifying retirement, and all unvested performance-based restricted stock, and all of the shares covered by such awards will remain in effect and will vest upon the achievement of the related performance goals (unless an award expires according to its terms prior to the satisfaction of the performance goals, in which event the award will terminate and applicable shares of restricted stock will be forfeited).

o If the Committee determines that a Participant is or has engaged in any disqualifying activity (as defined below), then the Participant will have the right to receive all shares of restricted stock which are vested as of the disqualification date and any award not yet vested as of the disqualification date will terminate. Any determination by the Committee will be final and conclusive. For purposes of this provision, the term “disqualifying activity” include, among other activities

o directly or indirectly being an owner, officer, employee, advisor or consultant to a company that competes with the Company or its subsidiaries or affiliates to an extent deemed material by the Committee, or

o disclosure to third-parties or misuse of any confidential information or trade secrets of the Company, its subsidiaries or affiliates, or

o any material violation of the Company’s Code of Business Conduct and Ethics or any other agreement between the Company and the Participant, or

o any material violation of the Company’s Code of Business Conduct and Ethics or any other agreement between the Company and the Participant, or

of failure in any material respect to perform assigned responsibilities as an employee of the Company or any of its subsidiaries or affiliates, as determined by the Committee, in its sole judgment, after consulting with the Chief Executive Officer.

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- oThe ownership of less than 2% of the outstanding voting securities of a publicly traded corporation which competes with the Company or any of its subsidiaries or affiliates will not constitute a disqualifying activity.
- oThe term “disqualifying date” is defined in the Plan as the earliest date as of which the Participant engaged in any disqualifying activity, as determined by the Committee.

Amendments and Termination

The Board may amend, alter or discontinue the Plan at any time, provided that the rights under any award previously granted under the Plan may not be impaired without the Participant’s consent. The Company will submit to the shareholders of the Company, for their approval, any amendments to the Plan which require shareholder approval, either by law or the rules and regulations of any governmental authority or any stock exchange upon which the stock is then traded. The Company’s Common Shares are currently listed on the National NASDAQ market. In any event, subject to changes in law or other legal requirements that would permit otherwise, the 2009 Incentive Plan may not be amended without shareholder approval, to (a) increase the total number of shares of stock that may be issued under the Plan or to any individual during any calendar year (except for adjustments described above), (b) permit the granting of stock with exercise prices lower than 100% of the fair market value of the stock on the date of the grant, or (c) substantially change the performance goals which are specified in the Plan and discussed under “Restricted Stock” above.

In the case of any stock option award, the Company will not, without the Participant’s consent, reduce the exercise price relating to a stock grant or, reduce the purchase price (if any) of stock which is subject to an outstanding award; nor will any such amendment be made which would make the applicable exemptions provided by Rule 16b-3 under the 1934 Act unavailable to any person holding an award without that person’s consent. In addition, no performance-based award may be amended if such amendment would adversely affect the award’s qualification as performance-based compensation under Section 162(m) of the Code.

Subject to the above provisions, the Board will have all necessary authority to amend the Plan to take into account changes in applicable securities, tax laws and accounting rules, or otherwise as it seems necessary or appropriate.

Federal Income Tax Consequences of the Equity Incentive Plan

The following is a brief summary of the general federal income tax consequences of transactions under the Plan based on federal income tax laws in effect as of January 31, 2009. This summary is not intended to be exhaustive and does not describe any foreign, state or local tax consequences.

Tax Treatment of Restricted Stock

Unless a Participant makes an election under Section 83(b) of the Internal Revenue Code, restricted stock awards are not included in his or her income until the award vests. At vesting, the Participant is taxed, at ordinary income rates, on the fair market value of the stock on the vesting date. Any subsequent appreciation in the stock price would be taxed at capital gains rates (assuming the stock has been held for a period of more than one (1) year from the date of vesting).

Within 30 days of receipt of a restricted stock award, a Participant may elect, under Section 83(b) of the Internal Revenue Code, to include in ordinary income on the date of receipt of the restricted stock the fair market value of the stock (without taking into account any restrictions other than those which by their terms never lapse) reduced by the amount, if any, that he or she pays for the stock. Any subsequent appreciation would then be eligible for capital gain

treatment (assuming the stock has been held for a period of more than one (1) year from the date of grant).

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In general, the Company is entitled to a deduction equal to the amount included in the Participant's ordinary income in the year in which such amount is reported for tax purposes by the Participant, provided the Company satisfies applicable withholding and reporting requirements. The amount of the deduction may be limited under Section 162(m) of the Code if a covered employee's non-performance-based compensation exceeds \$1 million in any year.

Directors' Incentive Shares

With respect to up to 44,000 shares authorized under the Plan, the Committee may grant equity-based awards to its non-management directors. The grant of such awards is designed to align a significant portion of the director compensation package with the long-term interests of the Company's shareholders by providing an incentive that focuses attention on managing the Company from the perspective of an owner with an equity stake in the business.

The shares set aside for non-management directors may be registered by the Company in a Form S-8 filed with the SEC so that the shares can be fully registered and freely transferable. They will be, however, subject to 3 year performance vesting. For 2009, subject to shareholder approval of the Plan, a maximum of 44,000 shares has been awarded to directors all of which are subject to the performance goals above.

Matching Award Program

Lakeland has established a mandatory share ownership program. The first phase of this program requires officers and members of the Board of Directors to hold a minimum of 3,000 shares each by the later of July 2010 or three years from the date the individual is appointed to a position subject to the share ownership program.

To encourage officers and directors subject to the mandatory ownership requirements to buy Lakeland shares, the Plan includes a matching award program to provide an incentive to the officers and directors to purchase Lakeland shares and 33,000 shares under the Plan have been reserved for that purpose. For each two shares an executive subject to the ownership requirements purchases during the three year compliance period, the Committee will grant the executive a one share stock bonus award under the 2009 Incentive Plan in the form of restricted stock, up to a maximum match per participant of 3,000 shares. These matching awards vest as to 100% of the shares subject to the award three years after the award date, or on the officer's death or disability and a pro-rata basis upon certain terminations of employment. (Time-vesting at the end of the three year period).

Stock Bonus Award and Director Stock Award

As part of the Plan, for the same group of key employees eligible for the Restricted Stock Plan, shares may be granted as part of an annual bonus (the "Stock Bonus Award"). A cash bonus amount for each eligible individual shall be determined in the usual manner by the Board. Once determined, the recipient shall have the option of accepting the bonus in cash or 133% of the cash amount in stock from the Plan. Should stock be chosen, the amount of shares may be netted for taxes to be withheld on such stock. Such shares shall be subject to 2 year time vesting. A total of 33,000 shares have been reserved for this program.

Term of Plan

No award will be granted pursuant to the 2009 Incentive Plan on or after June 18, 2019, but awards granted prior to such date may extend beyond that date.

Other Benefit Plans for Executives and Other Key Employees

The Company maintains other benefits and plans to compensate and reward executives and other key employees in addition to their regular salary. Each such employee has the potential to earn an annual cash bonus, is eligible to participate in the Company's 401k plan and may participate in the health and other employee benefit plans that are generally available to regular employees of the Company who satisfy minimum requirements. Further information concerning certain of the Company's annual cash bonus plans can be found beginning on page 33 of this proxy statement.

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Vote Required for Approval

The affirmative vote of a majority of the votes cast on this proposal, provided the total number of votes cast represents a majority of the outstanding Common Shares, is required for the approval of this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE INCENTIVE PLAN.

IN PROPOSAL NO. 2 ON THE PROXY CARD

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PROPOSAL NO. 3

RATIFICATION OF SELECTION OF WARREN, AVERETT, KIMBROUGH & MARINO LLC
AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board has selected Warren, Averett, Kimbrough & Marino LLC or (“Warren Averett”), as our independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending January 31, 2010, and has directed that management submit the selection of Warren, Averett, Kimbrough & Marino LLC as our independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. A representative of Warren, Averett, Kimbrough & Marino LLC is expected to be present or available by phone at the Annual Meeting and will be available to respond to appropriate questions from our stockholders and will be given an opportunity to make a statement if he or she desires to do so.

Previous independent accountant

On April 27, 2009, Lakeland Industries, Inc. (the “Company”) notified Holtz Rubenstein Reminick LLP (“Holtz”) that effective April 27, 2009 the Company decided to dismiss Holtz as the Company’s independent registered public accounting firm. The decision to dismiss Holtz was made and approved by the Audit Committee of the Board of Directors. A representative of Holtz Rubenstein Reminick LLP will not be present at the Annual Meeting.

The audit reports of Holtz on the Company’s financial statements for the fiscal years ended January 31, 2009 and 2008 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the two most recent fiscal years and the subsequent interim period through April 27, 2009, the Company had no disagreements with Holtz on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to their satisfaction would have caused Holtz to make reference to the subject matter of the disagreement in connection with its reports.

As reported in the Auditors Report on Internal Controls over Financial Reporting included in the Company’s Form 10-K for the fiscal years ended January 31, 2009 and 2008, Holtz advised the Company that certain of its internal controls over financial reporting were not effective.

The Company has provided Holtz with a copy of the disclosures required by Item 304(a) contained in this Report on Form 8-K and has requested that Holtz furnish the Company with a letter addressed to the SEC stating whether Holtz agrees with the statements made by the registrant in this Form 8-K and, if not, stating the respects in which it does not agree. A copy of Holtz’s letter dated April 28, 2009 is filed as Exhibit 16.1 to this Form 8-K.

New independent accountant

Effective as of April 28, 2009, the Company engaged Warren, Averett, Kimbrough & Marino LLC (“Warren Averett”) as its new independent registered public accounting firm. The decision to engage Warren Averett was made and approved by the Audit Committee of the Board of Directors.

During the two most recent fiscal years and through April 27, 2009, the Company has not consulted with Warren Averett regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company’s financial statements; or (ii) any matter that was either subject of a disagreement (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K) or a reportable event (as that term is described in Item 304(a)(1)(iv) of Regulation S-K).

Stockholder ratification of the selection of Warren, Averett, Kimbrough & Marino LLC as our independent registered public accounting firm is not required by our Bylaws or otherwise. However, the Audit Committee is submitting the selection of Warren, Averett, Kimbrough & Marino LLC to the stockholders for ratification as a matter of good corporate governance. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee may in its discretion direct the appointment of different independent registered public accountants at any time during the year if they determine that such a change would be in the best interests of us and our stockholders.

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The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote will be required to ratify the selection of Warren, Averett, Kimbrough & Marino LLC. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

RECOMMENDATION
THE BOARD OF DIRECTORS RECOMMENDS A VOTE
“FOR” RATIFICATION OF THE SELECTION OF
WARREN, AVERETT, KIMBROUGH & MARINO LLC
AS OUR
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

IN PROPOSAL NO. 3 ON THE PROXY CARD

Table of ContentsFees Paid to Holtz Rubenstein Reminick LLP
For Fiscal Years 2008 and 2009

For the fiscal years ended January 31, 2009 and January 31, 2008, the total fees we incurred for services by our independent registered public accounting firm, Holtz Rubenstein Reminick LLP, were as follows:

	2008	2009
Audit Fees (1)	\$ 292,000	\$ 359,100
Tax Preparation Fees(2)	35,000	35,000
All Other Fees	74,000(b)	44,000
Total	\$ 401,000	\$ 438,100

- (1) Fees for professional services rendered in connection with the audit of our annual financial statements in our Forms 10-K, including income tax provision procedures, the reviews of the financial statements included in our Forms 10-Q, services related to acquisitions, overseas statutory audits, consents to Securities and Exchange Commission (the "SEC") filings, assistance with review of documents filed with the SEC, and attestation-related services in connection with Section 404 of the Sarbanes-Oxley Act of 2002.
- (2) Fees for professional services rendered in connection with tax services including tax compliance, tax advice and tax planning, as follows:
- a. Tax Compliance/Preparation Fees: \$35,000 for 2008 and 2009, respectively, representing fees in connection with tax compliance preparation services including assistance in the preparation of our U.S. federal, state and local tax returns as well as international subsidiaries returns, tax audits and appeals, and tax services for employee benefit plans; and
- b. Tax Consulting Fees: \$48,855 and \$41,400 (included in "All Other Fees", above) for 2008 and 2009, respectively, representing fees in connection with tax consulting services including tax advice related to an IRS audit, mergers and acquisitions and restructuring of foreign operations.

The Audit Committee determined that the rendering of non-audit services by Holtz Rubenstein Reminick LLP was compatible with maintaining their independence.

Financial Information Systems Design and Implementation Fees

During the years ended January 31, 2009 and 2008, Holtz Rubenstein Reminick LLP rendered no professional services to us in connection with the design and implementation of financial information systems.

Audit Committee Pre-Approval Policy

In accordance with applicable laws and regulations, the Audit Committee reviews and pre-approves any non-audit services to be performed by our independent registered public accounting firm to ensure that the work does not compromise their independence in performing their audit services. The Audit Committee generally also reviews and pre-approves all audit, audit related, tax and all other fees, as applicable. In some cases, pre-approval is provided by the full committee for up to a year, and relates to a particular category or group of services and is subject to a specific budget and SEC rules. In other cases, the chairman of the Audit Committee has the delegated authority from the committee to pre-approve additional services, and such pre-approvals are then communicated to the full Audit Committee at its next meeting.

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AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee of the Board of Directors of Lakeland Industries, Inc., describing the Audit Committee's responsibilities and practices, specifically with respect to matters involving Lakeland's accounting, auditing, financial reporting and internal control functions. Among other things, the Audit Committee reviews and discusses with management and with Lakeland's independent registered public accounting firm the results of Lakeland's year-end audit, including the audit report and audited financial statements. We, the members of the Audit Committee of the Board, are presenting this report for the fiscal year ended January 31, 2009.

The Audit Committee acts pursuant to a written charter that was originally adopted by the Board in 2001. The Nominating and Governance Committee and the Board consider membership of the Audit Committee annually. The Audit Committee reviews and assesses the adequacy of its charter annually. The Audit Committee held five meetings during the fiscal year ended January 31, 2009.

All members of the Audit Committee are independent directors, qualified to serve on the Audit Committee pursuant to Marketplace Rules. In accordance with its charter, the Audit Committee oversees accounting, financial reporting, internal control over financial reporting, financial practices and audit activities of Lakeland and its subsidiaries. The Audit Committee provides advice, counsel and direction to management and the independent registered public accounting firm on the basis of the information it receives, discussions with management and the independent registered public accounting firm, and the experience of the Audit Committee's members in business, financial and accounting matters. The Audit Committee relies, without independent verification, on the information provided by Lakeland and on the representations made by management that the financial statements have been prepared with integrity and objectivity, on the representations of management, and the opinion of the independent registered public accounting firm that such financial statements have been prepared in conformity with accounting principles generally accepted in the United States, or GAAP.

In connection with its review of Lakeland's audited financial statements for the fiscal year ended January 31, 2009, the Audit Committee reviewed and discussed the audited financial statements with management and discussed with Holtz Rubenstein Reminick LLP ("HRR"), Lakeland's independent registered public accounting firm, the matters required to be discussed by SAS 114 (Codification of Statements on Auditing Standards, AU §380). The Audit Committee received the written disclosures and the letter from HRR required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with HRR its independence from Lakeland. The Audit Committee has also considered whether the provision of certain permitted non-audit services by HRR is compatible with their independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in Lakeland's Annual Report on Form 10-K for its fiscal year ended January 31, 2009, for filing with the SEC.

During Fiscal 2009, the Audit Committee met with management and Lakeland's independent registered public accountants and received the results of the audit examination, evaluations of Lakeland's internal controls and the overall quality of Lakeland's financial organization and financial reporting. The Audit Committee also meets at least once each quarter with Lakeland's independent registered public accountants and management to review Lakeland's interim financial results before the publication of Lakeland's quarterly earnings press releases. The Audit Committee believes that a candid, substantive and focused dialogue with the independent registered public accountants is fundamental to the committee's responsibilities. To support this belief, the Audit Committee meets separately with the independent registered public accountants without the members of management present on at least an annual basis.

The Audit Committee has established procedures for the receipt, retention and treatment of complaints received by Lakeland regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by Lakeland employees, received through established procedures, of concerns regarding questionable accounting or auditing matters. We have established a confidential email and hotline for employees to report violations of Lakeland's Code of Ethics or other company policies and to report any ethical concerns.

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The information contained in this report shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, (the “Securities Act”) or the Securities Exchange Act of 1934, as amended (the “Exchange Act”), except to the extent that Lakeland specifically incorporates it by reference into such filing.

Audit Committee: A. John Kreft (Chairman), John J. Collins, Stephen Bachelder, and Eric O. Hallman

EXECUTIVE OFFICERS

Our Executive Officers are appointed by our Board and serve at its discretion. Set forth below is information regarding our current Executive Officers:

Name	Position	Age
Christopher J. Ryan	Chief Executive Officer, President, General Counsel and Secretary	57
Gregory Willis	Executive Vice President	52
Gary Pokrassa	Chief Financial Officer	61
Harvey Pride, Jr.	Senior Vice President, Manufacturing	62
Paul Smith	Vice President, Sales	42
Gregory Pontes	Vice President, Manufacturing	42
Phillip Willingham	Vice President, MIS	51
Charles Roberson	Vice President, International Sales	46

Biographical information regarding our Senior Executive Officers can be found in our Annual Report on Form 10-K for the fiscal year ended January 31, 2009.

EXECUTIVE COMPENSATION

We currently qualify as a “smaller reporting company” as such term is defined in Rule 405 of the Securities Act of 1933, as amended, and Item 10 of Regulation S-K. Accordingly, and in accordance with relevant Securities and Exchange Commission rules and guidance, we have elected, with respect to the disclosures required by Item 402 (Executive Compensation) of Regulation S-K, to comply, in some cases, with the requirements applicable to larger companies and, in other cases, with the disclosure requirements applicable to smaller reporting companies. The following Executive Compensation Overview is not comparable to the “Compensation Discussion and Analysis” that is required of SEC reporting companies that are not smaller reporting companies.

Executive Compensation Overview

Compensation Committee. The Compensation Committee of the board of directors (the “Committee”) assists the board of directors of the Company in discharging its responsibilities relating to compensation of the Company’s executive officers and supervision of the Company’s Restricted Stock and 401-K Plans. The Committee reports to the board of directors and is responsible for:

- § Developing guidelines for, and reviewing the compensation and performance of, the Company’s executive officers;
- § Evaluating the executive officers’ performance in light of these goals and objectives; and
- § Making recommendations to the board of directors regarding the management contracts of executive officers when they are proposed or renewed.

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The Committee also is responsible for approving the compensation of the Chief Executive Officer.

Compensation Philosophy and Objectives. The Company seeks to pay its executive officers total compensation that is competitive with other companies of comparable size and complexity. Generally, the types of compensation and benefits provided to the Chief Executive Officer and other executive officers are comparable to those provided to other executive officers of small cap, publicly traded and similarly sized companies in the industry in which the Company operates.

The compensation policies of the Company are designed to:

- § Increase stockholder value,
- § Increase the overall performance of the Company,
- § Attract, motivate and retain experienced and qualified executives, and
- § Incentivize the executive officers to achieve the highest level of Company financial performance.

While the Company seeks to maintain competitive compensation arrangements for its executives, it also strongly believes that the competitiveness of the compensation packages should be based on the total compensation achievable by the executive officers and that a portion of that compensation should be linked to the performance of the Company. Accordingly, the executive compensation packages provided to the Chief Executive Officer and the other executive officers are structured to include, among other things and in addition to base salary and benefits, equity incentives. A reasonable portion of the compensation packages for executive officers is in the form of Restricted Stock grants, which are intended to provide incentives to executive officers to achieve long-term growth in the price of the Company's common stock and additionally annual cash bonus opportunities, which are intended to reward executive officers for meeting annual financial performance goals. Overall compensation levels are set such that, for executive officers to achieve a competitive compensation level, there must be both growth in the market price of the Company's common stock and growth in the Company's earnings and revenues at rates that equal or exceed the recent growth rate of the Company's earnings and revenues. The determination that such goals have been met and merit pay-outs pursuant to the incentive-portion of the overall compensation rests with the Committee.

The Committee believes that executive officer compensation should seek to align the interests of executives with those of the Company's stockholders, by seeking to reward long-term growth (not short term) in the value of the Company's common stock and to reward the achievement of annual financial goals by the Company. The incentive components of compensation, Restricted Stock grants and annual cash bonuses, for executive officers are linked to corporate financial performance as well as individual goals. This is intended to keep the executive team focused on the core goal of overall long term corporate performance.

When setting or recommending compensation levels, the Committee considers the overall performance of the Company, the individual performance of each of the executive officers, and their individual contributions to and ability to influence the Company's performance, and also seeks to encourage teamwork amongst the executives. The Committee believes that the level of total compensation, including base salary, bonus, restricted stock grants and benefits, of executives should generally be maintained to compete with other public and private companies of comparable size and complexity. The Committee bases its determinations on a variety of factors, including the personal knowledge of market conditions that each member of the Committee has gained in his own experience managing businesses, salary surveys available to the Company, the knowledge of the Chief Executive Officer and other executives as to local market conditions, and information learned regarding the compensation levels at other small cap companies in the industrial apparel industry and other similarly sized businesses. The Committee periodically evaluates the types and levels of compensation paid by the Company to ensure that it is able to attract and retain qualified executive officers and that their compensation remains comparable to compensation paid to similarly

situated executives in comparable companies.

The following describes in more specific terms the elements of compensation that implement the compensation philosophy and objectives described above, with specific reference to compensation earned by the named executive officers for the fiscal year ended January 31, 2009.

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Base Salaries. The base salary of each of our named executive officers is fixed pursuant to the terms of their respective employment agreements with us at the time a person initially becomes an executive officer by evaluating the responsibilities of the position, the experience and knowledge of the individual and the competitive marketplace at that time for executive talent, including a comparison to base salaries for comparable positions (considered in the context of the total compensation paid by such companies). Salaries are reviewed from time to time thereafter, generally in connection with the expiration of employment agreements or when other considerations warrant such review in the discretion of the Committee and board of directors, considering the foregoing factors as well as the executive's performance and the other factors considered in setting total compensation described above.

When salary adjustments are considered, they are made in the context of the total compensation for executive officers, consistent with the core principles discussed earlier in this Compensation Discussion and Analysis, included under the header "Executive Compensation" herein. In each case, the participants involved in recommending and approving salary adjustments consider the performance of each executive officer, including consideration of new responsibilities and the previous year's corporate performance. Individual performance evaluations take into account such factors as achievement of specific goals that are driven by the Company's strategic plan and attainment of specific individual objectives. The factors impacting base salary levels are not assigned specific weights but are considered as a totality, against the backdrop of the Company's overall compensation philosophy, and salary adjustments are determined in the discretion of the Committee and the board of directors. The majority of base salaries paid in FY09 were set in prior years; no base salary adjustments were made in FY09, for those executive officers under contract.

Bonuses. The Company has historically paid annual bonuses to its executive officers based on corporate performance, as measured by reference to factors which the Committee believes reflect objective performance criteria over which management generally has the ability to exert some degree of control. For each of our named executive officers, all cash bonuses are at the discretion of the Committee, when formulas are set.

Restricted Stock Grants. A third component of executive officers' compensation is grants of Restricted Shares of common stock issued pursuant to the 2006 Equity Incentive Plan. The Committee or the full Board of Directors grants Restricted Stock to the Company's executives in order to align their interests with the interests of the stockholders. In the fiscal year ended January 31, 2009, 3,000 options were granted to the Company's directors; however no options to executive officers were made. Restricted stock grants are considered by the Company to be an effective long-term incentive because the executives' gains are linked to increases in stock value, which in turn provides stockholder gains. Restricted Stock was granted to executive officers in accordance with the terms of the 2006 Equity Incentive Plan approved by the Company's shareholders in June 2006. The full benefit of the Restricted Stock grants is realized only as a result of appreciation of the stock price in future periods, thus providing an incentive to create value for the Company's stockholders through appreciation of stock price. The Restricted Stock granted to executive officers "cliff" vest at the end of three years, which the Company believes makes the grants a more effective retention incentive.

Restricted Stock grants made to the executive officers in the fiscal year ended January 31, 2009 reflected the significant individual contributions the Committee expects they will make to the Company's operations and implementation of the Company's development and growth programs, and the amounts of such grants were determined based on the same considerations discussed above in the context of setting salaries and annual bonuses. The number of shares of Restricted Stock granted is not tied to a formula or comparable company target ranges, but rather determined at the end of the three-year performance period in the discretion of the Committee and the Board of Directors consistent with the compensation philosophy described above. At the end of the three-year performance period, the determined number of shares (baseline, minimum, maximum or zero) will then vest.

Setting Executive Compensation. Base salaries and other compensation for the Chief Executive Officer and other executive officers are set by the Committee and reflect a number of elements including recommendations by Mr. Ryan

as to the other executive officers based on evaluation of their performance and the other factors described above. The Committee works closely with Mr. Ryan in establishing compensation levels for the other executive officers. Mr. Ryan and the individual executive typically engage in discussions regarding the executive's salary, and Mr. Ryan reports on such discussions and makes his own recommendations to the Committee. The Committee will separately discuss with Mr. Ryan any proposed adjustment to his own compensation. The Committee reports to the board of directors on all proposed changes in executive compensation, after it has formed a view on appropriate

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adjustments, and makes recommendations for consideration of the Board for the Chief Executive Officer and the other executive officers. The Committee considers such recommendations and, thereafter, sets the compensation level for Mr. Ryan, and for the other executive officers. Salary levels and other aspects of compensation for executive officers historically have been set forth in employment agreements having terms of two to three years.

The Committee is charged with the responsibility for approving the compensation package for the Chief Executive Officer. The Chief Executive Officer is not present during voting or deliberation on his performance or compensation.

The board of directors or the Committee can exercise the right to modify any recommended adjustments or awards to the executive officers.

Retirement Benefits. The Company does not provide any retirement benefits to its executive officers, other than matching a portion of employee contributions to a 401-K plan. This benefit is generally available to all employees of the Company.

Employment Agreements. The Company currently enters into employment agreements with its executive officers because it generally believes that, in respect of key executive officers, there is a significant value in its competitive markets to setting out compensation and benefit expectations in a writing, maintaining appropriate non-competition, non-solicitation of employees and confidentiality agreements with key executives, and agreeing in advance on post-termination payments and other obligations. These employment agreements are described in more detail under the caption "Employment Agreements."

Taxation and Accounting Matters. The Committee considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that the Company may not deduct compensation of more than \$1,000,000 that is paid to certain individuals. Generally, the Company is certain that compensation paid to its executive officers will be fully deductible for federal income tax purposes. However, in certain situations, the Company may approve compensation that will not meet these requirements in order to ensure competitive levels of total compensation for its executive officers.

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SUMMARY COMPENSATION TABLE

The table below sets forth all salary, bonus and other compensation paid to our chief executive officer, chief financial officer and each of our three highest paid executive officers other than the chief executive officer and chief financial officer (our “Named Executive Officers”) for the fiscal years ended January 31, 2009, 2008 and 2007:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)
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