

**PENNFED FINANCIAL SERVICES, INC.  
PENN FEDERAL SAVINGS BANK  
CODE OF CONDUCT**

July 2005

## Table of Contents

PURPOSE .....	2
Application of the Code .....	2
Statement of Principle.....	2
Obtaining Guidance.....	3
CONFLICTS OF INTEREST.....	3
Introduction .....	3
Self-Dealing .....	3
Corporate Opportunities .....	4
Improper Payments to Employees.....	4
Relations with Suppliers .....	5
Gifts and Entertainment.....	6
Outside Employment .....	6
Outside Directorships .....	7
CONFIDENTIALITY .....	7
Confidentiality of Customer, Employee & Corporate Information .....	7
Personal Investments and Financial Affairs.....	8
SECURITIES TRADING .....	8
OPERATING PROCEDURES.....	9
Advertising and Promotions .....	9
REFERRALS.....	9
ACCOUNTING, AUDITING & INTERNAL CONTROL ISSUES.....	9
BRIBERY, KICKBACK & FRAUD.....	10
MONEY LAUNDERING .....	10
COPYRIGHT/TRADEMARK VIOLATIONS .....	11
COMMUNITY RELATIONS .....	11
Political Activity .....	11
EMPLOYEE RELATIONS.....	11
COMPETITORS .....	12
Antitrust .....	12
CODE OF CONDUCT ENFORCEMENT .....	12
Reporting Suspected Non-Compliance .....	12
WAIVERS .....	13
DISCLOSURES.....	13
CERTIFICATION OF COMPLIANCE .....	14
DISCLOSURE QUESTIONNAIRE .....	15
CORRESPONDENT BANKS .....	18

# CODE OF CONDUCT

## PURPOSE

### Application of the Code

This Code of Conduct is intended to deter wrongdoing and promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Avoidance of conflicts of interest, or the appearance of conflicts, including appropriate disclosure to supervisors of any material transaction or relationship that reasonably could be expected to give rise to a conflict;
- Full, fair, accurate, timely and understandable disclosure in documents the Company files with, or submits to the SEC and in all public communications made by the Company;
- Compliance with applicable governmental laws, rules and regulations;
- Prompt internal reporting to designated persons of violations of the Code of Conduct; and
- Accountability for adherence to the Code of Conduct.

The Code of Conduct applies to all officers, employees, and directors of Penn Federal Savings Bank, (the "Bank"), its parent, PennFed Financial Services, Inc., and all their respective subsidiaries (collectively referred to as the "Company"). In this Code of Conduct, all officers, employees, and directors are referred to as "Employees". Directors are referred to as Employees in this Code of Conduct for convenience only. This does not imply that they are Employees of the Company for any purpose. The Code of Conduct applies to all Employee decisions and activities within the scope of employment, or when representing the Company in any capacity.

### Statement of Principle

**Each Employee contributes to the care and maintenance of our most important asset—the Company's reputation for integrity. Each Employee must help preserve that asset.**

A reputation for integrity is the cornerstone of the public's faith and trust in the Company, and, in that respect, is what provides us an opportunity to serve our customers. Many banking institutions offer similar products; it is the people who distinguish our institution from others. A single Employee's misconduct can do much to damage a hard-earned reputation. The Company's reputation must not be compromised in any situation. This Code of Conduct is presented to assist in guiding Employee conduct to enhance the reputation of the Company.

All Employees of the Company are required to comply with the requirements of this Code of Conduct, all policies of the Company and applicable laws, rules and regulations. Employees must also comply with the procedures implementing and effectuating the Company's policies. Failure to comply with the Code of Conduct and the Company's policies and procedures may result in disciplinary action including, in severe situations, immediate termination of employment.

### Obtaining Guidance

**No Code of Conduct can cover every possible question of business practice. When in**

**doubt, Employees should consult with the Senior Vice President of Human Resources, if possible, or the Ethics Board.**

Any questions from Employees regarding this Code of Conduct or its application should be directed initially, if possible, to the Senior Vice President of Human Resources. The Senior Vice President of Human Resources will be responsible for maintaining a log of inquiries, and copies of all correspondence received, and a record of all responses issued with regard to the Code of Conduct.

The Ethics Board consists of the Chief Executive Officer, Senior Executive Vice President/General Counsel, and Senior Vice President of Human Resources. The Ethics Board is responsible for the administration of the Company's Code of Conduct. The primary purposes of the Ethics Board are to field Employee questions regarding ethical conduct and conflicts of interest, to issue formal responses and/or interpretations as a result of such queries, and to supervise investigations and complaints and issue recommendations with respect to such investigations.

Each Employee is responsible to uphold and comply with the Code of Conduct. All managers are held accountable for enforcement of the Code of Conduct in their divisions. Additional copies of the Code of Conduct may be obtained from the human resources department.

## **CONFLICTS OF INTEREST**

### **Introduction**

**Avoid any situation in which personal interests conflict with those of the Company.**

Each Employee owes a duty of loyalty to the Company. For that reason, all Employees must exercise great care any time their personal interests conflict with those of the Company. The following sections review several common problems. The list is not exhaustive. The general principle, however, is simple: **EXERCISE GREAT CARE ANY TIME THERE MIGHT BE EVEN THE APPEARANCE THAT AN ACT WAS TAKEN OR NOT TAKEN FOR REASONS OTHER THAN TO BENEFIT THE COMPANY.**

### **Self-Dealing**

**Extra caution must be exercised any time credit is extended, a service is provided, or an asset is sold to or purchased from any individual or entity closely associated with the Company.**

Any time the Company provides credit to, provides services for, or sells to or purchases an asset from any person or entity closely associated with the Company -- a director, employee, or affiliated company -- there is the potential for a conflict of interest. The same potential conflict exists when the transaction involves the spouse or member of the immediate family of any person closely associated with the Company, or involves a company owned or controlled by such a person. These transactions must be scrutinized closely and documented carefully.

Certain of these transactions must be approved by the Board of Directors. Loans to Employees, members of their immediate families, or companies owned or controlled by Employees must be subject to at least the same review extended to the general public and will be made only pursuant to statutory and regulatory requirements and Company policy.

All Employees are responsible for the proper use of the Company's physical resources and property, as well as its proprietary and other confidential information. Unless otherwise prohibited by an Employee's supervisor, reasonable incidental use of a Company telephone, computer or other equipment is permitted.

### **Corporate Opportunities**

**Do not divert for personal gain any business opportunity from which the Company may profit unless the Company validly decides to forego the opportunity.**

No Employee may personally profit from a business opportunity which rightfully belongs to the Company. This problem arises when an Employee has an interest in an entity which offers a product or service which could be offered by the Company, or when an Employee directly offers such a product or service. Only the Board of Directors of the Company may determine that the Company does not intend to pursue a business opportunity and that an Employee is free to pursue that opportunity.

### **Improper Payments To Employees**

**Employees are subject to a simple principle -- the only payment of anything of value that an Employee may receive should be from the Company.**

This Code of Conduct incorporates the provisions of the Bank's Bribery Act Policy. The Bank Bribery Act is a Federal law which prohibits certain conduct of Bank Employees and of persons who have business relations with a bank.

A person who has a business relationship with the bank may not give, offer, or promise anything of value to Bank Employees with intent to influence corruptly the conduct of Bank Employees.

Employees may not seek, accept, or agree to accept anything of value from a person who has a business relationship with the Bank with the intent that the Employees' conduct will be corruptly influenced. Similarly, Bank Employees should never enter into an agreement in which a customer agrees to make an additional payment to another person or another division of the Bank if such payment is not part of the Bank's usual fee structure.

Customer payments should be made only to the Bank.

**The following are the specific rules concerning offering of and acceptance of gifts between Employees, customers and vendors:**

- 1. THE OFFERING OF OR GIVING OF CASH BY ANY LOAN ORIGINATOR TO ANY STAFF MEMBER, OR THE SOLICITING OR ACCEPTING OF CASH BY ANY STAFF MEMBER FROM A LOAN ORIGINATOR WITHOUT THE EXPRESS PRIOR APPROVAL OF THE ETHICS BOARD IS PROHIBITED, AND WILL RESULT IN IMMEDIATE DISMISSAL OF THE EMPLOYEES INVOLVED.**
- 2. A. THE OFFERING OF OR ACCEPTANCE OF CASH FROM CUSTOMERS AND VENDORS IS STRICTLY PROHIBITED, EXCEPT AS SET FORTH IN 3 BELOW.**  
**B. THE OFFERING OF OR ACCEPTANCE OF GIFTS BY EMPLOYEES FROM CUSTOMERS AND VENDORS IS PERMITTED UNDER THE FOLLOWING**

#### **LIMITED EXCEPTIONS:**

1. customary hospitality (business meals, golf outings, ball games, etc.) where it is directly related to Company activities and provided that the expense would be paid for by the Company if not paid for by another party. Any entertainment beyond that scope or of a frequent nature must be pre-authorized by the Senior Vice President of Human Resources;
2. Holiday season, birthday gifts or gifts that relate to commonly recognized events or occasions such as a new job, promotion, wedding or retirement from a person who has a business relationship with the Bank, provided those gifts have a value of less than \$200;
3. gifts from a person who has a business relationship with the Bank provided the acceptance is based on a family or personal relationship existing independent of the business of the Bank and where the circumstances clearly indicate that the business of the Bank was not the motivating factor;
4. advertising or promotional material with a value of less than \$100;
5. benefits available to the general public under the same conditions from persons having a business relationship with the Bank, e.g., discounts or rebates on merchandise or services;
6. civic, charitable, educational or religious organization awards for recognition of service or accomplishment.

The offering or acceptance of all other gifts from customers or vendors is prohibited. The Company recognizes that some questions can only be answered on a case-by-case basis. Each Employee should refer any question to the Senior Vice President of Human Resources. Moreover, all Employees should provide written notice to the Senior Vice President of Human Resources any time a gift exceeding a reasonable value is offered or received.

#### **Relations with Suppliers**

**Employees purchasing goods or services on behalf of the Company must exercise great care to preserve their independence.**

Employees who deal with the Company's suppliers are placed in a special position of trust. This position requires Employees to exercise caution in dealing with suppliers. As a general rule, no Employee should ever receive a payment or anything of value in exchange for a purchasing decision. The Company recognizes, however, that some gifts may fall into the category of exceptions recognized in the Bank's Bribery Act Policy or set forth above.

Employees may not borrow, in any form, from Company customers and suppliers, unless they are in the business of making loans, and then only on terms and conditions available to the general public. Additionally, if an Employee borrows funds from an institution which has a correspondent relationship with the Company, he or she will be required to disclose this borrowing annually. Each Employee will be required to execute and submit a certification that such borrowings, and the rates and terms, were not more favorable than the rates and terms available to the

correspondent institution's other customers, and the borrowings were not a result of their affiliation with the Company.

### **Gifts and Entertainment from Employees**

#### **Employees must act scrupulously when providing gifts or entertainment on behalf of the Company.**

Naturally, the responsibilities of some Employees will include entertainment of business prospects. This is one area in which no simple list of "rules" will cover every situation. The Company expects that Employees will act in a professional and reasonable manner in providing such entertainment. In addition, Employees must keep proper records of all such entertainment for accounting and tax-reporting purposes. Employees who are in doubt as to whether a particular circumstance is "reasonable" should contact the Senior Vice President of Human Resources.

Gifts provided by the Company should have a value of no more than \$200 unless the prior approval of the Ethics Board has been obtained.

### **Outside Employment**

#### **Employees' first obligation rests with the Company.**

The Company requires the full attention of its Employees. In general, this level of attention makes it impractical for full-time Employees to pursue employment outside the Company. Outside employment also could lead to a conflict of interest for the Employee and, in some circumstances, a violation of applicable laws and regulations. Therefore, Employees are prohibited from employment at any competitive business, such as a mortgage company, bank, or other financial institution.

Other secondary employment may be permitted only:

- a. If the second job raises no conflict of interest issues, and;
- b. If it in no way interferes with the individual's duties and responsibilities at the Company.

Employees may not use Company time, facilities, resources, or supplies for secondary employment activities. Requests for approval of secondary employment should be made to the Senior Vice President of Human Resources.

### **Outside Directorships**

Employees are prohibited from joining a corporate board of directors, or acting in the capacity of consultant or similar capacity at other financial institutions and entities or organizations with which the Company has an existing relationship, and where there may be a potential conflict of interest. Employees may serve as directors or consultants of companies that do not fall within the categories mentioned above.

## CONFIDENTIALITY

### Confidentiality of Customer, Employee & Corporate Information

**Each Employee is responsible for preserving the confidentiality of customer, Employee and corporate information.**

Confidentiality is a fundamental principle of the financial services business. In the course of performing your duties, you may acquire confidential information. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers, if disclosed. Confidential information, in any form, obtained through business or personal contacts with customers, prospective customers, suppliers, or other employees shall be used solely for the Company's purposes. Information reflecting favorably or adversely upon the current or future value of any business enterprise should not be used in any manner for personal gain or for advantage to a third party. This information must not be revealed to unauthorized persons or discussed with others within the Company unless their duties require this information. The use of confidential information submitted to us through any source about one customer to further the private interests of another customer is unethical and may be illegal.

Some specific examples of confidential information include:

- ! The identity of customers and potential customers and their personal, business and financial information;
- ! Non-public business and financial information of the Company; personal information regarding any employee of the Company;
- ! Personal or non-public business information regarding any supplier, vendor or agent of the Company;
- ! Information related to, including the identity of, potential candidates for mergers and acquisitions;
- ! Information regarding the Company's sales strategies, plans or proposals;
- ! Information related to computer software programs, whether proprietary or standard;
- ! Information related to documentation systems, information databases, customized hardware or other information systems and technological developments;
- ! Manuals, processes, policies, procedures, compositions, opinion letters, ideas, innovations, inventions, formulas and other proprietary information belonging to the Company or related to the Company's activities;
- ! Security information, including without limitation, policies and procedures, passwords, personal identification numbers (PINs) and electronic access keys;
- ! Communications by, to and from regulatory agencies; and
- ! Certain communications with or from attorneys for the Company, whether internal or external.

This caution on confidential information does not preclude releasing certain customer information when authorized by the customer or to the government when appropriate. The guidance of the Senior Vice President of Human Resources should be sought in all such cases. Disclosure of confidential information to attorneys, accountants and other professionals working on behalf of the Company, as well as regulatory examiners, may also be appropriate.

### **Personal Investments and Financial Affairs**

Employees of the Company, like any other individuals, may make personal investments in corporate stock, real estate, etc. Such investments, however, shall not be made as a result of confidential information that is also material inside information obtained through your position with the Company. Particular care should be taken with original or new stock issues. Confidential information about the Company and its customers and suppliers acquired by Employees in the course of their duties is to be used solely for the Company's purposes, and not as a basis for personal investment by Employees or their immediate families. In making personal investments, all Employees should be guided by a keen awareness of potential conflict. In addition, personal investments should not influence an Employee's judgment or action in the conduct of the Company's business.

It is expected that all Employees will conduct their personal financial affairs in a manner that will not reflect adversely upon the Company or on their personal standing in the community.

## **SECURITIES TRADING**

### **Never trade securities on the basis of confidential information acquired at the workplace.**

Publicly traded companies are subject to special confidentiality restrictions. Insider trading is a serious crime which carries severe criminal penalties to Employees and to the Company. The offense may occur when, for example, a person trades stock while in possession of material, nonpublic information about the company involved, whether the information is intentionally leaked or inadvertently revealed. Information is "material" if it would affect the average person's decision whether to buy or sell the stock; it is "nonpublic" if it has not been released to the investing public. The financial performance of the Company shall not be discussed with external parties except in the normal course of business, e.g. with the outside auditors and Company counsel, until such results have been publicly announced. All questions from the public regarding the Company's financial performance should be directed to the Chief Financial Officer.

In addition, another "insider trading" concern arises when directors, certain executive officers, and ten percent shareholders purchase and sell (or vice versa) the institution's securities within a six month period. The "short-swing" profit rule set out in Section 16(b) of the Securities Exchange Act of 1934 requires that any profits from such transactions be returned to the institution. Also, Section 16(a) requires that forms be filed when the personnel listed above purchase, sell, or transfer the Company's securities. Affected personnel should consult with the Sr. Executive Vice President/General Counsel before any purchase, sale, or transfer involving the Company's securities.

Executive Officers and Directors of the Company are also prohibited from trading the Company's securities during any period in which participants in the Company's retirement plans could not engage in a similar type of transaction. This blackout period also includes the exercise of stock options.

## **OPERATING PROCEDURES**

### **Advertising and Promotions**

**Each Employee must help ensure that the Company maintains the highest standards of accuracy in its advertising and promotions.**

All Employees must exercise care to ensure that all Company advertising enhances our reputation for fairness and accuracy. All Employees should adhere carefully to printed guidelines when quoting interest rates either for deposit accounts or loan transactions.

## **REFERRALS**

**Referral of customers to the Company serves the Company's interest only when handled in a professional manner.**

The Company encourages Employees to refer customers to the Company. Such referrals represent an important part of our business development. All Employees must remain watchful for two problems which may arise in the context of referrals. First, no potential customer should be promised preferential treatment as an inducement to bring business to the Company. The Employee should merely emphasize the service which can be provided by the Company. Second, there are limits on the incentives the Company may offer for referrals by Employees, and others affiliated with the Company. Any incentive or bonus paid for referrals must be reviewed and approved by the appropriate Division Executive.

## **ACCOUNTING, AUDITING & INTERNAL CONTROL ISSUES**

**Each Employee must help maintain the integrity of the Company's financial records.**

All Employees are expected to observe and comply with generally accepted accounting principles, the system of internal controls and disclosure controls and procedures established by the Company requiring that corporate books and records accurately and fairly reflect in reasonable detail the financial condition and results of operations of the Company. Company policies are intended to promote full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the SEC and in the Company's public statements. In furtherance of these requirements, Employees must practice the following:

1. No false, misleading, or artificial entries shall be made on Company books, records, and reports for any reason.
2. No undisclosed or unrecorded corporate funds or assets shall be established for any purpose.
3. No payments from corporate funds or other assets shall be approved or be made with the intention or understanding that any part of such payment will be used for any purpose other than that described by the documents supporting the payment. All payments must be supported with appropriately approved purchase orders, invoices or receipts, expense reports or other customary documents, all in accordance with established policy.

## **BRIBERY, KICKBACK & FRAUD**

**Never offer anything of value in an effort to seek a favorable result for the Company.**

No funds or assets of the Company shall be paid, loaned, or otherwise disbursed as bribes, "kickbacks", or other payments designed to influence or compromise the conduct of the recipient; and no Employee of the Company shall accept any funds or other assets (including those provided as preferential treatment to the Employee for fulfilling their responsibilities), for assisting in obtaining business or for securing special concessions from the Company.

Employees must not engage in any activity which degrades the reputation or integrity of the Company.

## **MONEY LAUNDERING**

**All Employees must participate in the Company's effort to eliminate illegal money laundering activities.**

Large cash transactions often facilitate the illegal drug trade and other criminal activities. The Company and all other banking facilities are under increasing pressure to take steps to identify such transactions to bolster government law enforcement efforts. The Company has developed policies and procedures to comply with these requirements.

The Bank Secrecy Act requires an Internal Revenue Service form to be compiled each time a customer deposits, withdraws, exchanges or transfers more than \$10,000 in currency. Refer to the Bank Secrecy Act Policy for details. Any questions concerning suspected money laundering should be referred to the Bank's Security Officer.

## **COPYRIGHT/TRADEMARK VIOLATIONS**

**It is the Company's policy to honor all valid copyright and trademark-protected materials.**

Employees may not negotiate or enter into any agreement respecting the Company's trademarks or logos, or use the trademark of other companies without approval of the Senior Executive Vice President, General Counsel.

Employees must avoid the unauthorized use of copyrighted materials of others and should confer with the Senior Executive Vice President, General Counsel, if they have any questions regarding the permissibility of photocopying, excerpting, electronically copying or otherwise using copyrighted materials.

The Company is legally entitled to all rights in ideas, inventions, and works of authorship relating to its business that are made by Employees during the scope of their employment with the Company or using the resources of the Company.

## **COMMUNITY RELATIONS**

### **Political Activity**

Political activity should be an exercise of individual discretion.

The Company encourages all Employees to participate actively in the political process. The vitality of our public institutions depends on such participation. The Company will not reimburse any Employee for political contributions, and Employees should not attempt to receive or facilitate such reimbursements.

However, while the Company encourages involvement in governmental affairs, only participation in local elective contests will be permitted without the requirement that the employee take an unpaid leave of absence. Local elective contest is defined as a candidacy for Municipal elective office including Boards of Education.

Any other pursuit of elective office, including participation in political party primary contests requires the employee to notify the Company and take an unpaid leave of absence from announcement of such intent through and including the date of election. If the employee is successful in the elective process, the unpaid leave extends through the term(s) of such elective office.

Acceptance of appointments to governmental bodies other than those defined as Municipal, require the consent of the Company.

Additionally, employees should take two precautions with respect to political activity. First, the activity should not interfere with work at the Company. Second, all Employees should be careful not to associate the Company with their political activity. This precludes the use of the Company's facilities for political purposes. In addition, Employees should take care to ensure no one can confuse their personal activities with those of the Company.

## **EMPLOYEE RELATIONS**

**The Company is committed to complying with employment-related laws and regulations.**

It is the Company's policy to comply with all applicable wage and hour laws and other statutes regulating the employer-employee relationship and the workplace environment.

The Company is committed to fostering a work environment that ensures equal employment opportunities and prohibits discriminatory practices or harassment on the basis of race, color, national origin, religion, sex, age, disability, or any other status protected by law.

The Company's Equal Employment Opportunity and Sexual Harassment Policies are included in the Employee Handbook. Any questions regarding the Company's employment related policies should be directed to the Senior Vice President of Human Resources.

## **DOCUMENT RETENTION**

The space available for the storage of Company documents, both on paper and electronic, is limited and expensive. Therefore, periodic discarding of documents is necessary. On the other hand, there are legal requirements that certain records be retained for specific periods of time. Before disposing of documents, Employees should consult the Company Records Retention Policy. Employees who are unsure about the need to keep particular documents should consult with their supervisor so that a judgment can be made as to the likelihood that the documents will be needed.

Whenever it becomes apparent that documents of any type will be required in connection with a lawsuit or government investigation, all possibly relevant documents should be preserved, and ordinary disposal or alteration of documents pertaining to the subjects of the litigation or investigation should be immediately suspended. If an Employee is uncertain whether documents under his or her control should be preserved because they might relate to a lawsuit or investigation, he or she should contact the Senior Executive Vice President, General Counsel.

## **CODE OF CONDUCT ENFORCEMENT**

### **Reporting Suspected Non-Compliance**

**All Employees are under an obligation to report code violations.**

Any known or suspected violation of the Code of Conduct must be promptly reported. This includes violations or possible violations involving you, another Employee (including managers) or a director. Any violation of law, rule or regulation applicable to the Company and/or Company policy is also a violation of this Code. Violations of the Code of Conduct may result in disciplinary action including, in severe situations, immediate termination of employment.

If you know of or suspect a violation of the Code of Conduct, including actions or failures to act, immediately report the matter to a member of the Ethics Board. Concerns regarding questionable accounting, internal accounting controls or auditing matters may be directed to the Chairman of the Audit Committee at P.O. Box 7067, West Orange, NJ 07052-9860.

All concerns or complaints will be promptly investigated and appropriate action taken. The Senior Vice President of Human Resources will document the results of the investigation in a report to the Board of Directors in order to ensure a fair process is utilized in determining whether a violation of the Code of Conduct has occurred. No person expressing concerns or complaints will be subject to any disciplinary or other adverse action by the Company absent a knowingly false report. All concerns or complaints may be made anonymously and will remain confidential. Please provide sufficient information to allow us to properly investigate your concerns. The Company will retain a record of all concerns and complaints, and the results of its investigations, for six years.

## **WAIVERS**

Any requests for waivers of the Code of Conduct for employees who are not executive officers should be directed, in writing, to the Ethics Board. Requests for waivers for directors and executive officers should be directed to the Board of Directors through the Corporate Secretary. Only a majority of the independent directors then serving on the Board of Directors may waive the applicability of the Code of Conduct for a director or executive officer. Any waiver granted to directors or executive officers, including the principal accounting officer, and the reasons for granting the waiver, and any change in the Code of Conduct applicable to directors and executive officers, including the principal accounting officer, must be promptly disclosed to the public as required by law or the Nasdaq Stock Market.

## **DISCLOSURES**

Annually, on or about June 30th, and at the time of hiring, each Employee will be required to file a current statement with the Human Resources Department regarding their receipt of entertainment, gifts, personal or family member ownership/interest in the business of any Company customer, supplier, or competitor, and/or current outstanding financial obligations with Company correspondents. Failure to submit such a statement within the prescribed timeframe may result in the termination of the Employee. Disclosures will be made as of June 30<sup>th</sup> for the preceding fiscal year. The Human Resources Department will be responsible for maintenance of Employee disclosures. Board member disclosures will be reviewed by the Board of Directors.

The Ethics Board will be responsible for review and determination as to whether a violation of the Code of Conduct has occurred.

**TO:** HUMAN RESOURCES DEPARTMENT

**FROM:**

**RE:** CERTIFICATION OF COMPLIANCE  
PENNFED FINANCIAL SERVICES, INC.  
PENN FEDERAL SAVINGS BANK  
CODE OF CONDUCT

**CERTIFICATION OF COMPLIANCE**

I certify that I have received, read, and understand the Code of Conduct. I promise to comply with the terms of the Code of Conduct in the future and understand that violation of the Code of Conduct may lead to dismissal for cause, but not unless permitted under any written employment contract that I may have.

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**Employee Signature**

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**Employee Name Printed**

---

**Department**

---

**Date**

## **CODE OF CONDUCT DISCLOSURE QUESTIONNAIRE**

In accordance with the Company's Code of Conduct, please complete the following questions and return this form to the Human Resources Department. All questions should be answered considering the period from the last time that you completed a disclosure questionnaire. If you are unsure as to when the most recent questionnaire was completed, please contact the Human Resources Department.

1. Do you presently have a personal or family member ownership and/or interest in the business of a Company customer, supplier, or competitor?
  - a). If yes, please indicate the name of the customer, supplier, or competitor, the period that this relationship has been in existence, and the percentage of ownership and/or interest that you or your family members hold.
  
2. Have you received any gifts from a Company customer, supplier, or competitor?
  - a). If yes, please indicate the name of the customer, supplier, or competitor, the type of gift, reason for the gift, and its approximate value below:
  
3. Have you received any gifts of an entertainment nature (i.e., lunch, dinner, tickets to events, etc.) from a Company customer, supplier, or competitor?
  - a). If yes, please indicate the form of entertainment, approximate value, and name of customer, supplier, or competitor below.
  
4. Have you applied for and received proceeds for personal loans, automobile loans, boat loans, home loans, etc. from a Company correspondent (refer to the attached listing for the names of Company correspondents)?
  - a). If yes, please identify the name of the Company correspondent and the type of loan you received.
  
  - b). If yes, were the rates and terms similar to those available to the general public and institution's other customers?
  
  - c). If no, please explain the terms and conditions of the loan granted below;
  
  - d). Were the rates and terms provided to you the result of your affiliation with the Company?

5. Have you or any immediate family member obtained credit or services, or sold to or purchased an asset from the Company (except PennFed Financial Services Inc. stock) since the date of your last completed Code of Conduct Disclosure Questionnaire?
  - a). If yes, please explain the circumstances below.
  - b). If yes, was the transaction approved by the Board of Directors?
6. Have you borrowed in any form from any Company customers or suppliers?
  - a). If yes, please specify what was borrowed and the circumstances surrounding same below:
7. During your employment at the Company, have you also been employed by a competitive business, such as a mortgage company, bank, or other financial institution, or a Company vendor, customer, or supplier?
  - a). If yes, please provide the name and address of the institution, vendor, customer or supplier, capacity employed, and period of employment.
8. Have you served as a member of a Board of Directors or consultant (or similar capacity) with any other bank or financial institution or entity with which the Company has an existing relationship?
  - a). If yes, please indicate the name and address of the organization, and the period and capacity served below:
9. Have you offered or promised a potential customer or official anything of value, including preferential treatment, or a bonus or incentive to bring business to the Company?
  - a). If yes, please describe the circumstances below:
10. Have you or your spouse, sibling, child, parent, or business partner received money or other benefits (e.g., a loan, forgiveness of debt, goods or services) from a third party in return for Penn Federal Savings Bank granting a loan to or purchasing property or services from such third party?
  - a). If yes, please identify all such transactions in detail below:

11. Has any company in which you are a partner, own shares in excess of 1% of the total shares outstanding, serve on the board of directors, or are employed as an officer engaged in any transaction with the Company?

a). If yes, please identify all such transactions in detail below:

12. Have you been appointed to or pursued any governmental office other than those defined in this policy as Municipal elective office?

a). If yes, please provide the type of political office, date(s) of pursuit of office, or period of appointment:

13. Date of last Code of Conduct Disclosure form:

\_\_\_\_\_  
**Employee Signature/Printed Name**

\_\_\_\_\_  
**Date**

## **CORRESPONDENT BANKS**

Federal Home Loan Bank  
200 Park Avenue  
New York, NY 10166

Federal Reserve Bank  
33 Liberty Street  
New York, NY 10045

Wachovia Bank  
DE 5403  
300 Delaware Avenue  
9<sup>th</sup> Floor  
Wilmington, DE 19801

Bank of New York  
385 Rifle Camp Road  
West Paterson, NJ 07424

Travelers Express  
1550 Utica Avenue  
Minneapolis, MN 55416

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