

## ***Introduction***

This Code of Business Conduct and Ethics (the “Code”) embodies the commitment of Flushing Financial Corporation, Flushing Bank (the “Bank”) and their subsidiaries (collectively referred to as the “Company”) to conduct our business in accordance with all applicable laws and regulations and the highest ethical standards. All employees (including officers) and members of our Board of Directors are expected to adhere to the provisions of this Code that apply to them. All of us must take personal responsibility for conducting ourselves in a way that reflects positively on our business and that is in keeping with the letter and spirit of the law and the principles set forth in this Code.

This Code serves as a guide for living up to our ethical standards. When faced with a tough situation, ask yourself which course of action:

- would look better if it were used as an example in this Code.
- would look better if it were printed in a newspaper.
- would you feel more comfortable explaining to your family? A judge?

Remember, only you are responsible for your actions, so only take actions that you’ll be proud to admit to.

Each employee and director is accountable for reading, understanding and following this Code. This document cannot contain every ethical situation or issue that may affect you as an employee or director. That is why the Code also contains resources to turn to for help. Any questions concerning the interpretation or application of this Code or other ethical questions may be directed to our Senior Vice President – Human Resources, or your manager. Our open door policy encourages us to contact any of these resources at any time. Complying with the Code is a condition of employment with the Company. Failure to follow its standards or failure to report a known violation can lead to disciplinary action, based on the violation, up to and including termination.

## ***Compliance with Law***

The fundamental obligation that we owe to the communities in which we do business is to obey the law. We adhere to all applicable laws everywhere we do business. There is no business excuse, no supervisory pressure, no unwritten understanding that justifies violating the law. It is the personal responsibility of each employee and director to understand and comply with all laws, regulations, and policies that apply to his or her position with the Company. You are responsible for talking to your manager or supervisor or the Human Resources Department to determine which laws, regulations and policies apply to your position.

### ***Accuracy of Company Records and Public Disclosure***

It is the Company's policy that the information in its public communications, including SEC filings, be full, fair, accurate, timely and understandable. All employees and directors who are involved in the Company's disclosure process are responsible for acting in furtherance of this policy.

If you are involved in the preparation of the Company's financial statements, you must do so according to applicable accounting standards and rules so that all transactions are properly recorded and the financial statements fairly and completely reflect the operations and financial condition of the Company.

If you have reason to believe that any of the Company's books and records are not being maintained in an accurate or complete manner, or that any misleading statement has been made to an internal or an outside auditor or included in the Company's SEC filings, or that material information has been withheld from an internal or outside auditor or omitted from our SEC filings, you are expected to report this immediately to the Company's Internal Auditor or the Chairman of the Audit Committee of our Board of Directors. You may report such matters on a confidential and anonymous basis if you wish. Contact information for our Internal Auditor or the Audit Committee Chairman is available at the end of this policy and in the Company's Employee Handbook under the caption "Whistleblower Policy."

### ***Insider Trading***

Generally, it is both illegal and against Company policy for any employee or director who is aware of material nonpublic information relating to the Company or another company to buy or sell any securities of the Company or such other company. Passing such information on to another person, or recommending that such other person buy or sell securities based on inside information — sometimes known as "tipping" — is generally also illegal and against Company policy. Additional trading restrictions apply to executive officers and directors. More detailed rules governing securities trading by employees and directors are contained in the Company's Insider Trading Policy.

### ***Money Laundering and Anti-Terrorism***

It is the Company's policy to comply fully with federal and state laws, including the USA Patriot Act, which prohibit money laundering and safeguard against use of the U.S. financial system by terrorists. Money laundering is the process by which the proceeds of criminal activity are moved through the financial system in order to hide all traces of their criminal origin. You are expected to be aware of, and alert to, money laundering and Bank Secrecy Act risks to which the Company may be exposed and the possibility that a transaction you encounter in the course of your duties could constitute money laundering or lead to financing of terrorist activities. Under no circumstances should you participate in any money laundering activity or intentionally ignore conduct or patterns which appear suspicious. Any activity that raises suspicions about the source or use of a customer's funds should be reported immediately to the Company's Security/Compliance Officer. It is our policy to cooperate fully with law enforcement and regulatory investigations regarding possible money laundering or terrorist financing.

### ***Protection and Proper Use of Company Assets***

All employees and directors should protect the Company's assets and ensure their efficient use. Our shareholders entrust Company assets to us. We take pride in living up to that trust. We are responsible for using Company assets only for legal and ethical business purposes, and for

protecting them from damage, loss, waste, misuse or theft. All Company assets should be used for legitimate business purposes only.

### ***Conflicts of Interest***

Conflicts of interest are prohibited as a matter of Company policy, unless they have been approved by the Company's Senior Vice President – Human Resources (or, in appropriate circumstances, the Nominating and Governance Committee of the Board).

A “conflict of interest” occurs when an individual's private interest improperly interferes with the interests of the Company. A conflict situation can arise when you take actions or have interests that may make it difficult to perform your work for the Company objectively and effectively. Conflicts can also arise when you obtain improper personal benefits for yourself or for your family members or others as a result of your position with the Company. A conflict situation is also likely to arise if you have a business connection with our depositors, borrowers, customers, suppliers, or competitors (other than on the Company's behalf).

Any employee or director who is aware of a transaction or relationship that could reasonably be expected to give rise to a conflict of interest should discuss the matter promptly with the Company's Senior Vice President – Human Resources. **Any such transaction or relationship should be avoided unless specifically approved.**

#### ***A. Employee Transactions***

Transactions involving an employee or other person known to be a member of the employee's family or a person with a close personal relationship to the employee must conform to the Company policy and must not be conducted on terms more favorable than those extended to others. Employees must not handle their own transactions or those of their own family members or other persons with whom they have a close personal relationship.

#### ***B. Personal Relationships with Other Employees***

We recognize that camaraderie and friendships form in the workplace and the Company encourages such relationships which can add to the enjoyment of our working hours together. However, certain relationships, particularly those that are romantic or sexual, may result in a real or apparent conflict of interest, favoritism, or undue influence in the workplace and can negatively impact our working experience. Accordingly, the Company restricts its managers, and officers from certain managerial or supervisor relationships.

1. Officers and managers are strictly prohibited from directly managing or supervising a Related Person, as that term is defined below. This prohibition applies, for example, to an officer and his administrative assistant, or to a manager or officer and all of the employees below him or her in his or her organization or business line. Both the officer/manager and the Related Person in a relationship that violates this policy must notify the Human Resources Director of the situation immediately.
2. In the event an officer or manager is indirectly managing or supervising a Related Person, both the officer/manager and the Related Person must notify the Human Resources Director of the situation immediately. This duty to report exists in any situation where the manager or officer may impact the terms or conditions of the Related Person's employment, including, for example, through participation in evaluations, job assignments or salary recommendations. The Company reserves the right to take whatever action, in its sole discretion, it deems appropriate to redress any conflict of interest, undue influence, favoritism or other negative impact caused by such a relationship; and such action may include reassignment or termination.

For purposes of this policy, a “Related Person” is a Company employee with whom an officer or manager is having a romantic or sexual relationship, is living with as domestic partners, or to whom the officer or manager is married or anyone with a familial relationship.

In addition, family members are generally not permitted to work within the same Branch or Department or to be in a position to control or influence transactions carried out by other employees who are family members. Should apparent conflicts arise or have the potential for arising, they must be reported to the appropriate Department Head immediately, evaluated for propriety against the interests of the Company, and eliminated if there is a conflict. Employees must disclose to their Supervisor the existence of a familial relationship as soon as that relationship occurs. A member of an employee’s family will be considered for employment by the Company if the applicant possesses all the qualifications for employment. However a family member of Senior Vice Presidents and above may not be hired for employment for any full-time, part-time or temporary positions.

Employees should be scrupulously honest and fair in all dealings with fellow employees and must not allow personal relationships with other employees to affect business decisions.

Employees must not take unfair advantage of other employees through manipulation, abuse of authority, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

### ***C. Borrowing and Lending between Employees***

Borrowing and lending between employees or between an employee and an immediate family member of another employee, is not permitted except for borrowing or lending that is of a short-term and incidental nature, involves a minimal amount of money (less than \$100.), and creates no conflict of interest attributable to the borrowing/lending relationship.

### ***D. Personal Finances***

It is extremely important that an employee maintain a sound personal financial condition. Failure to do so could prevent the employee from carrying out job-related responsibilities in the most effective manner. Employees are offered certain banking services at the Bank, such as employee checking accounts. Employees are required to maintain any accounts and/or loans they may have at the Bank in good order.

### ***E. Processing Transactions***

Employees must never conduct or approve their own banking transactions including but not limited to:

- Cashing their own checks
- Performing system maintenance for their own accounts
- Opening their own accounts
- Refunding charges of any kind to themselves
- Effecting wire transfers for their accounts

Employees must refer these transactions to another employee of equal or senior rank, unless they involve a business decision, which should then be referred to the branch of domicile.

Employees should not perform any banking transactions for family members or for persons with whom they have a close personal relationship (fiancée, close friends) with the exception of Registered Representatives and Dually Employed Registered Representatives who may sell investment (non-deposit) products to family members. Employees must refer these transactions

to another employee of equal or senior rank, unless they involve a business decision, which should then be referred to the branch of domicile.

Employees must never make any NSF decisions on either their own accounts, accounts related to any family member, for persons with whom they have a close relationship or a co-worker. Management should refer any employee NSF decisions to their Department Head. Making NSF decisions for employees puts the branch manager in a vulnerable position.

#### ***F. Compensating Others and Receiving Compensation***

Except as discussed in Section I below, an employee or director must never offer, give or promise anything of value to any person or entity in any manner in the course of seeking or retaining business for the Company. An employee must never make any secret or illegal payments, bribes or other similar payments in any form whatsoever, under any circumstances.

Except as discussed in Section H below, an employee must never accept anything of value from any person or entity for directing Company business to such person or for accepting business on behalf of the Company.

#### ***G. Customer or Supplier Conflict of Interest***

The relationship of an employee with a customer or a supplier might under certain circumstances conflict with the best interests of the Company or other current or prospective customers or suppliers. The potential conflict of interest must be discussed immediately with the appropriate Department Head.

Employees must not enter into business relationships with customers, prospects or suppliers of the Company except for normal customer transactions conducted through ordinary retail sources.

#### ***H. Accepting Gifts and Entertainment***

Employees and directors should use good judgment when giving or accepting gifts or entertainment in business settings. Any such gift should be consistent with customary business practice and not excessive in value. No gift should be given or accepted in violation of applicable law, and no gift should be solicited. Please discuss with your supervisor or manager or the Human Resources Department any gifts or proposed gifts which you are not certain are appropriate.

#### ***I. Presenting Gifts and Entertainment***

In situations where the Company is to present a gift, entertainment or other accommodation to a current or prospective customer or supplier, employees must use careful judgment to determine that the matter is handled in good taste and without excessive expense. All entertainment presented on behalf of the Company must be appropriate and in good taste. Employees must be certain that the entertainment they have selected would be deemed appropriate by senior management.

#### ***J. Bequests***

Employees are not permitted to accept a bequest granted under the will or trust instrument of a customer of the Company except when such bequest is from a close relative of the employee. Any exceptions to this policy must be approved by the SVP of Human Resources before the bequest is accepted by the employee.

### ***K. Benefits Exclusive to Employees***

All full-time and part-time employees are eligible to open a free checking account upon meeting all of Flushing Bank guidelines. There will be no monthly maintenance fee, per check charges or minimum balance required. There is no fee for checkbooks ordered. However, all other fees remain in effect. All accounts opened for employees, including business and not-for-profit accounts, must be coded as “Employee” during account opening.

Employees (excluding Executive Officers and Directors as defined in the Company’s Insider Loan Policy) meeting the criteria set by the Employee Loan Policy may be eligible for employee reduced rate loans. Employees, who do not meet the criteria and therefore are not eligible for any savings or rate reductions, will have the same loan programs, rates and terms made available to them as would be offered to any other customer of the Bank.

All other products and services are available as they would be offered to any other customer of the Bank.

### ***L. Violations***

Any employee who compromises or violates any section of this policy is subject to disciplinary action up to and including dismissal, and where appropriate, criminal or civil proceeding under applicable laws.

### ***Confidentiality***

In carrying out the Company’s business, employees and directors may learn confidential or proprietary information about the Company or third parties. Confidential or proprietary information includes, among other things, any nonpublic information concerning the Company, including its business, financial performance, marketing or strategic plans, customers, and product pricing information, as well as any nonpublic information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed.

You may not disclose any confidential or proprietary information to others outside the Company or use such information for your own or someone else’s benefit. Within the Company, such information should be disclosed only to those who need the information to carry out their business responsibilities. You should also be careful not to discuss such matters with family members or business or social acquaintances or in places where you may be overheard.

### ***Customer Privacy***

We recognize our responsibility to protect customer information that is supplied to or learned by us in conjunction with our customer relationships. Employees and directors are expected to safeguard the privacy, confidentiality and security of any information our customers entrust to the Company. The Company has in place a privacy policy that contains our specific commitments with regard to the privacy of our customer information. Employees and directors with access to customer information are expected to familiarize themselves with our privacy policy and procedures and to comply with them in conducting our business.

### ***Intellectual Property***

The Company’s intellectual property, including marketing databases, customer lists, strategic plans, brochures and software developed by or for the Company, constitutes an important part of the Company’s assets. Since the Company’s continued success depends on the careful development, use and protection of our intellectual property, we have a duty to protect it. We must take care not to discuss it where others may hear. We must also be sure not to transmit it in

any form, or to any recipient, where unauthorized persons might receive it. Before transmitting intellectual property outside the Company obtain your manager's approval. Our obligation to preserve the confidentiality of the Company's proprietary information continues even after we are no longer employees of the Company. The Company expects its employees and directors to assist it in securing, preserving, and enforcing the Company's intellectual property rights.

### ***Fair Dealing***

We seek to outperform our competition fairly and honestly. We do not seek competitive advantages through illegal or unethical business practices. Each employee and director should endeavor to deal fairly with the Company's depositors, borrowers, customers, suppliers, competitors and employees. No employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair practice. The unauthorized use of the intellectual property of others is prohibited.

### ***Treatment of Employees***

We commit to treating each other with dignity and respect at all times. All Company employees receive fair opportunity and are judged only on their qualifications, talents and achievements. We embrace our differences and have zero tolerance for any behavior that is based on stereotypes of race or ethnicity, gender, religion, sexual orientation, age, disability, veteran or marital status – not only because these categories are often protected by laws, but also because diversity creates a rich company culture and provides us all with opportunities to learn.

### ***Anti-Harassment***

Intimidating, abusive and offensive conduct goes against our value of respect and is completely unacceptable. Sexual harassment, whether verbal, physical, or visual, is specifically prohibited. Harassment of this type includes unwelcome sexual advances, improper touching, requests for sexual favors or any conduct that makes sexual submission a condition of employment or advancement.

Because we all share responsibility to promote a respectful environment, we have a duty to report any harassment we may see, and are strongly encouraged to speak out when others' words or actions make us feel uncomfortable. Any employee who believes that he or she has been the subject of harassment, or who believes that an act of harassment has occurred with respect to another employee, should report the perceived policy violation to his or her manager, or directly to Human Resources.

We are firmly committed to providing equal opportunity in all aspects of employment. We will not tolerate any illegal discrimination or harassment of any kind.

### ***Waivers of the Code***

Any waiver of this Code for executive officers, directors, and senior financial officers may be made only by the Board of Directors and will be promptly disclosed as required by law or NASDAQ requirements.

### ***Reporting of Violations***

Employees and directors should be alert and sensitive to situations that could result in violations of law or of the standards of ethical conduct set forth in this Code. If you believe your own conduct, or that of another employee, officer or director may have violated the law or this Code, you have an obligation to report the matter.

Generally, you should raise such matters first with your immediate supervisor or manager. If you are not comfortable bringing the matter up with your supervisor or manager, or have done so and do not believe he or she has dealt with the matter properly, then you should raise the matter with the Senior Vice President - Human Resources (which may be done on an anonymous basis). All such communications will be handled discreetly and will be kept confidential to the extent feasible. Alternatively, you may raise any legal or ethical concerns you may have (on a confidential and anonymous basis if you desire) with the Company's Internal Auditor or the Chairman of the Audit Committee of our Board of Directors. Contact information for our Internal Auditor or the Audit Committee Chairman is available at the end of the policy and in the Company's Employee Handbook under the caption "Whistleblower Policy."

It is the Company's policy not to allow retaliation for reports of misconduct by others made in good faith. However, any person who knowingly makes a false report of questionable behavior will be subject to disciplinary action.

### ***Enforcement of the Code***

The Company is committed to upholding the highest standards of ethical business conduct. The Company will investigate any allegations of misconduct. All employees and directors are expected to cooperate with any such investigation. Employees and directors who violate the law or this Code will be subject to disciplinary measures, which may include reprimand, suspension without pay, demotion, termination, and reporting of violations of law to the appropriate authorities. In determining what action is appropriate in a particular case, the Company will take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

### ***Resources***

This document describes your obligations and responsibilities for compliance with the Company's Code of Business Conduct and Ethics. There are resources available to you in fulfilling your commitment. If you have a question or concern or feel the need to make a report, the first place to turn is your supervisor. If, however, you do not feel comfortable going to your supervisor, use one or more of the resources listed below. Since taking action to solve problems is part of our culture, the important thing is not so much where you bring your concern, but that you take action to raise it. Remember that retaliation against those who make a good faith report is not tolerated by the Company.

**Internal Auditor**

Robert Kiraly, SVP  
Flushing Financial Corporation  
1979 Marcus Avenue, Suite E140  
Lake Success, NY 11042

**Chair of Audit Committee**

Louis C. Grassi  
Grassi & Co.  
50 Jericho Quadrangle  
Jericho, NY 11753

**Internal Auditor**

Phone: 516-327-0028  
E-mail: [rkiraly@flushingbank.com](mailto:rkiraly@flushingbank.com)  
Fax: 516-352-4760

**Chair of Audit Committee**

Phone: 516-256-3500  
E-mail: [lgrassi@grassicpas.com](mailto:lgrassi@grassicpas.com)  
Fax: 516-256-3510

**Human Resources**

Ruth Filiberto, SVP  
Phone: 718-512-2720  
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“The Policy will be reviewed periodically, but in no event less than once every twelve (12) months and will be approved by the Board of Directors annually”