

**HUDSON CITY BANCORP, INC.  
HUDSON CITY SAVINGS BANK  
CODE OF ETHICS  
FOR  
EMPLOYEES, OFFICERS AND DIRECTORS**

***Better Value through adherence to the Highest Ethical Standards***

Hudson City's commitment to high ethical standards is an essential element underlying our reputation of providing ***better value*** to our shareholders, customers, fellow employees, and community. It is fundamental that users of Hudson City's services do so with complete confidence in the integrity of those with whom they deal. Although this Code of Ethics (the "Code") does not cover every ethical issue that may arise it sets out basic principles to guide employees, officers and directors of Hudson City, each of whom must read, understand and adhere to this Code, and conduct themselves accordingly avoiding even the appearance of any impropriety.

In the event a law conflicts with this Code, the law takes precedence. However, if a local custom or policy conflicts with this Code, this Code takes precedence. The Bank will have more detailed policies covering certain topics in this Code (for example, Hudson City's Insider Trading Policy). You are expected to comply both with this Code and any more detailed policies, operating rules and procedures set forth in the applicable policies or department or branch manuals. If you have any questions about compliance with policy, or conflicts between policies, you should seek guidance from your manager or the Compliance Officer.

Violations of standards set by this Code will be subject to disciplinary action. ***If you are in a situation which you believe may lead to a violation of this Code, please follow the guidelines described in the section entitled "Prompt Confidential Reporting of Code Violations".***

***Our Basic Ethical Principles***

**Honesty.** Our business is based on mutual trust and absolute honesty in all our dealings whether internally or externally. This principle must be demonstrable at all times through both in personal and corporate behaviors.

**Integrity.** Our business creates opportunities that are realized only through the integrity, underlying personal and professional business practices. We therefore use corporate assets including our name, with the care befitting a valuable resource.

**Respect.** We treat one another with respect and dignity and value the diversity of our workforce, our customers and our communities.

**Responsibility.** We accept accountability for ethical decisions and actions and we ask for clarification when necessary, reporting concerns or observed violations.

**Good Citizenship.** We comply with both intent and spirit of laws that govern our business and we thereby contribute to the strength and well being of our constituent communities.

***Compliance with Laws, Rules and Regulations***

Employees should become familiar with all laws and regulations applicable to Hudson City, as such laws and regulations relate to daily work requirements and professional responsibilities. Each of these and other laws and regulations are addressed by the Bank's various policies and procedures which are available to employees affected by these topics. Therefore, all employees, officers and directors of Hudson City shall carry out their responsibilities in accordance with applicable laws, regulations and policy statements, including all applicable federal and state criminal laws governing fraud, bribery, embezzlement, conversion and conflicts of interest, as well as conduct their business affairs consistent with applicable safety and soundness standards and Code requirements. Everyone is expected to have sufficient knowledge of applicable law and regulation as it relates to their duties, and in order to know when to seek guidance from higher authority. It is imperative to follow operating rules and procedures covered in applicable department or branch manuals, and to use the proper bank forms, which have been prepared with legal requirements in mind.

**Accurate Record Keeping and Accounting.** Hudson City requires honest and accurate recording and reporting of financial and other information both to make responsible business decisions, and also to provide an accurate accounting of Hudson City's performance to shareholders, regulators, depositors and employees. Hudson City requires full, fair, accurate, timely and understandable disclosure in all reports and documents filed with, or submitted to, the Securities and Exchange Commission and in other material public communications. It is a violation of law and Hudson City's policy for any employee to attempt to improperly influence or mislead accountants preparing our audit. Hudson City requires that its financial and other reporting fairly present the financial condition, results of operations and cash flow of our company and that it complies in all material respects with applicable law, governmental rules and regulations, including generally accepted accounting principles and applicable rules of the U.S. Securities and Exchange Commission, the Nasdaq Stock Market, Inc. and banking regulators.

Hudson City has implemented disclosure controls and procedures to ensure that its public disclosures are timely, compliant and otherwise full, fair, accurate and understandable. Employees responsible for the preparation of Hudson City's public disclosures, or who provide information as part of that process, have a responsibility to ensure that such disclosures and information are complete, accurate and in compliance with Hudson City's disclosure controls and procedures.

**Document Retention and Destruction.** Employees and directors must fully comply with Hudson City's document retention and destruction policy. In addition, once a legal proceeding has begun, (or when one is threatened or reasonably likely) federal and state obstruction-of-justice statutes require Hudson City to preserve documents relevant to the issues in that proceeding even before specific documents are requested. Any Hudson City employee, officer or director who

fails to comply with this policy, as well as industry regulations and state and federal laws, is subject to termination or removal and may also face criminal or civil prosecution, with possible fines and prison terms.

**Insider Trading.** Employees, officers and directors who have access to confidential information are not permitted to use or share that information for any purpose except the conduct of our business. Non-public information about Hudson City is confidential and should be safeguarded appropriately. Any use of non-public information for personal financial benefit or to "tip" others who might make an investment choice based on this information is both unethical and illegal. Refer to Hudson City's Insider Trading Policy and/or consult the Hudson City's Compliance Department for further details on this topic.

### ***Regulatory Agencies, Auditors and Counsel***

Honesty and cooperation is required in dealing with Hudson City's independent and internal auditors, investigators and attorneys. Any request by regulatory or governmental agencies for information, which is not incidental to periodic bank and holding company examinations and required reports, should be referred to the Compliance Department.

### ***Competition and Fair Dealing***

**Competition Requires Fair Dealing With Customers, Competitors, Suppliers and Fellow Employees.** "Bank on Better Values" indicates that we compete based on achieving advantage in the marketplace through superior service, competitive interest rates, and industry leading business practices. Accordingly it is against Hudson City's policy to attempt to win or keep business relationships based on unethical or illegal activities.

Neither should any employee attempt to obtain unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

**Anti-Competitive Activities.** Federal law prohibits any combination, conspiracy or agreement among competitors to restrict or prevent competition. Violations can occur through both formal and informal agreements between Hudson City and a competitor to fix prices, allocate markets or customers, or refuse to deal with particular suppliers or customers.

All employees of Hudson City should be especially careful at social or professional meetings to avoid discussions or exchanges of information relating to competitive matters (i.e., cost, pricing, or strategy).

Employees with questions concerning any such anti-trust issues should be directed to the Compliance Officer.

**Purchasing of Supplies.** Employees of Hudson City who may procure supplies for the company are required to be objective and fair with our suppliers and employ professional business practices

when selecting sources, in negotiations, in awarding business, and in the administration of purchasing activities. Although we expect employees to strive for good relationships with suppliers, it is wrong to create even the impression that a supplier has a “friend” at Hudson City and can therefore exert special influence.

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

Hudson City employees, officers and directors are bound by this Code to protect Hudson City’s assets, ensuring they are used only for legitimate business purposes. Such assets include, but are not limited to, capital, facilities, equipment, proprietary information, technology, business plans, ideas for new products and services, trade secrets, inventions, copyrightable materials and client lists.

**Bank Funds.** Employees entrusted with Bank funds are personally responsible for the handling of those funds.

**Physical Assets.** Employees entrusted with use of Hudson City’s physical assets (such as computer equipment, corporate charge cards, telephones and office supplies) must protect them from loss, damage, misuse or theft. These assets should be used only to conduct Hudson City’s business and for purposes authorized by management.

**Information Technology.** Hudson City’s information systems, such as Internet access, e-mail and software programs are vital to conducting business and accordingly are to be used only for business purposes. Using the Internet for non-business purposes is inappropriate. Visiting sites with sexual or hate content is strictly prohibited.

All data stored in the computer system, such as data files or word processing documents, is to be treated as proprietary information. Hudson City’s technology use policy, sets the standards relating to the use and protection of computer and information assets which employees should follow.

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

Employees, officers and directors are expected to make business decisions on behalf of Hudson City free from conflicting outside interests. It is a violation of this Code and of Hudson City’s policies to foster personal or business interests (or those of others with whom such persons have a personal or business relationship) at the expense of Hudson City.

Although it is impossible to cover every potential conflict of interest situation, a potential conflict exists whenever an employee, officer or director of the Company has an outside interest, direct or indirect, which conflicts with their duty to the Company or adversely affects their judgment in the discharge of their responsibilities to the Company.

Examples of conflicts of interest include receiving money or other benefits from a third party in return for Hudson City granting a loan to or purchasing property from such third party, advocating a transaction between the Bank and a company in which such person owns stock or otherwise stands to benefit from the transaction at the expense of Hudson City.

The appearance of a conflict of interest may be just as damaging to the Company's reputation as a real conflict of interest and maybe difficult to discern. Company employees, officers and directors are expected to objectively assess their actions periodically to determine whether a reasonable, disinterested observer, a customer, a supplier, a shareholder, an acquaintance, or a government official would have grounds to believe a conflict of interest exists.

**Giving and Receiving Gifts.** Employees and directors should not accept any gift whatever the value that might appear to compromise independent business judgment. Neither should employees or directors give a gift to a client or prospect that might appear to be an attempt to influence them. Gifts include cash, material goods, services, promotional premiums, discounts, and loans. When the value of the gift is appropriate to an occasion (e.g., holidays), gifts may be accepted by or provided to clients and prospects, provided they are within the limits set by Hudson City's Gift policy. Gifts or gratuities to government officials are inappropriate and are strictly prohibited.

**Business Entertaining.** Normal business development practices to take clients or prospects, issuers, and other associates to meals, or cultural and sporting events, are not prohibited by this Code. Such activities are prohibited if they are or may appear to be lavish. Frequent entertaining could appear to influence the judgment of the person being entertained. Invitations that may seem inappropriate should be discussed with management.

**Relationships with Outside Interests.** Hudson City employees and directors are required to disclose any of their financial interests in entities or any of their transactions in which Hudson City is involved. From time to time, it may be in Hudson City's best interest to have an officer or employee serve as a director or have another legitimate relationship with a competitor, client, insured entity, or supplier. Such relationship should always be disclosed to management prior to its commencement, and are to receive explicit approval in advance. Employees and directors may own securities in publicly traded companies or municipal entities who are competitors or clients, when such an interest is not material in terms of the total outstanding stock, or to the employee's or director's net worth.

**Secondary Employment.** Hudson City does not prohibit other employment; however, full time employees are expected to devote their complete attention and energy to their duties. Policy requires that employees notify their immediate supervisor and the Human Resource Officer prior to accepting any outside employment. Officers holding the title of Senior Vice President or higher ("Executive Officer") must notify either the Chief Executive Officer or the Chief Operating Officer. Outside employment will not be approved which might subject Hudson City to criticism

or which would encroach on working time, interfere with regular duties, or otherwise affect an individual's effectiveness.

Employees are prohibited from outside employment that may appear to create a conflict of interest. Examples include:

- Employment engaging in any activity that is competitive with Hudson City.
- Employment which involves the use of Hudson City's equipment, supplies or facilities.
- Employment which involves the preparation, audit or certification of statements, tax returns, or other documents upon which Hudson City may rely for lending or other decisions. Senior Managers and employees who prepare income tax returns for individuals or entities other than themselves must obtain confirmation that the client does not intend to use the officer's or employee's work product as part of any transaction with Hudson City.
- Employment which involves giving investment, legal or other advice, or exercising judgment which is based upon information, reports or analyses that are accessible from Hudson City.
- Employment which may reflect adversely on the officer, employee, or Hudson City.
- Employment under circumstances which may suggest the sponsorship or support of Hudson City on behalf of the outside employer or an outside organization.
- Employment as an insurance or securities broker, agent or representative.
- Employment as a real estate salesman, broker, agent or contractor, (except with the prior written approval of the officer's or employee's immediate supervisor with the concurrence of an Executive Officer).

### ***Confidentiality and Privacy***

**Nonpublic Information.** Employees are required to maintain the confidentiality of information entrusted to them by Hudson City and provided by our clients and vendors. Confidential information includes all non-public information that might be of use to competitors, or harmful to Hudson City or its customers, if disclosed. It also includes non-public information about Hudson City's financial condition, results of operations, business operations and future prospects. All employees must exercise care not to misuse nonpublic information obtained during their employment, including client lists, information about Hudson City personnel and clients, and business plans and ideas. The obligation to preserve confidential information continues even after employment ends.

The obligation to maintain the confidentiality of information may be subject to legal or regulatory requirements to disclose that information. If you have any questions regarding what constitutes confidential information or when such information must be disclosed, discuss your concerns with your manager.

**Client Information Privacy.** Hudson City protects the confidentiality and security of client information. Hudson City's Privacy Policy for client information provides that:

1. Hudson City does not sell or rent clients' personal information.
2. Employees may not discuss the business affairs of any client with any other person, except on a strict need-to-know basis.
3. Hudson City does not release client information to third parties, except upon a client's authorization or when permitted or required by law.
4. Third-Party service providers and vendors with access to client information are required to keep client information confidential and use it only to provide services to or for Hudson City.

### ***Code of Ethics Administration***

*(Procedures for receipt, retention, and treatment of complaints received.)*

**Administration Responsibility.** The Human Resource Officer is responsible for administering the Code of Ethics and enforcing the Code for Employees and Officers. The Audit Committee is responsible for enforcing the Code of Ethics for Senior Officers and Directors. The Human Resource Officer is responsible for conducting Code-related training, maintaining all Code-related records and investigating and resolving all Code-related matters.

Code-related matters are any questions regarding the scope of the Code or compliance herewith including any violations or alleged violations of any provision of the Code.

**Responsibility to Report Code-Related Matters.** All persons subject to the Code must report Code-related matters in accordance with the following procedures: Officers and employees must promptly make reports of any Code-related matters to their immediate supervisor and simultaneously to the Human Resource Officer. Supervisors receiving such reports must promptly advise the Human Resource Officer, even when the Human Resource Officer has already been advised. Directors shall promptly make reports of any Code-related matters to the Chief Executive Officer, the Corporate Secretary or the Chairman of the Audit Committee.

**Permissible Transactions with Hudson City and Other Matters Not Involving a Code Violation.** The Human Resource Officer shall promptly review all reports of Code-related matters. The Human Resource Officer shall confer with the appropriate officers of Hudson City to determine if the requested transaction or other matter complies with all applicable laws, regulations and policies. If deemed necessary by the Human Resource Officer, the Human Resource Officer shall seek the advice of legal counsel to Hudson City. The Human Resource Officer or his or her designee shall promptly advise the filer of the request as to Hudson City's determination.

**Investigation and Resolution of All Code Violations.** The Human Resource Officer (or his or her designee approved by the Board of Directors) shall promptly investigate all violations or alleged violations of any provision of the Code, including concerns regarding internal accounting controls, questionable accounting or auditing matters (any such violation or alleged violation of the Code is referred to as "Code Violation"). Where appropriate, the Human Resource Officer, shall promptly report any Code Violation to the Chief Executive Officer, the Chief Operating Officer, the Audit Committee of the Board of Directors, and/or the Chairman of the Board of Directors with recommendations for resolution, in accordance with the investigation and referral procedures described herein. Upon learning of a Code Violation, Hudson City will take appropriate action to resolve the Code Violation. Such resolution may involve disciplinary actions or other sanctions including termination of employment or dismissal. Hudson City shall take all reasonable steps to respond to any offense and prevent its recurrence.

The procedure for making such a report is as follows:

***Prompt Confidential Reporting of Code Violations***

Any employee or director of Hudson City who becomes aware of a violation or alleged violation of any provision of this Code, including concerns regarding internal accounting controls, questionable accounting or auditing matters (any such violation or alleged violation of the Code is referred to as "Code Violation"), shall promptly submit a report. To encourage employees to fulfill their obligations to Hudson City, the Audit Committee has established procedures under which any director, officer or employee, suspecting that a Code Violation has been or is being committed, may report the facts in a manner that will safeguard the person's identity to the fullest extent practicable and protect the reporting person against retribution. The procedure for making such a report is as follows:

1. Any person who becomes aware of a past or present Code Violation is required to promptly report the facts and circumstances to his or her immediate supervisor, and simultaneously to the Human Resource Officer. If a supervisor has been advised of a Code Violation, the supervisor is required to promptly confirm the matter with the Human Resource Officer. Directors may contact the Chief Executive Officer, the Corporate Secretary or the Chairman of the Audit Committee. The Audit Committee of the Board of Directors in particular will be promptly notified about any code violation regarding accounting or auditing matters.

2. Further, and in a situation where anonymity (“whistle blowing”) may be necessary from supervisors, Hudson City has established the **Hudson City Ethics Hotline** at **(800) 233-6605** to report concerns, suspicions or claims of violations or situations and violations of law. The **Hudson City Ethics Hotline** is maintained by an independent third party who will act on the complaint or violation by directing it anonymously to the appropriate person(s) for investigation. The Audit Committee establishes the detailed procedures for the receipt, retention and treatment of complaints received.
3. The independent third party will promptly notify the Human Resource Officer when an incident is reported. If the reporting employee chooses to remain anonymous, reports submitted will not identify the reporting person(s). A case number will be established for future correspondence. Reports submitted to the independent third party by employees regarding accounting or auditing matters will be simultaneously disseminated to the Audit Committee of the Board of Directors (or an Audit Committee member designee) and Human Resource Officer.
4. An investigation into the reported Code Violation will be conducted promptly. Facts and circumstances in the report will be reported so as to protect, to the greatest extent possible, the anonymity of the reporting person.
5. If the Human Resource Officer and the Chief Executive Officer or Chief Operating Officer are not able to promptly resolve the Code Violation to their mutual satisfaction, the Human Resource Officer and the Chief Executive Officer or Chief Operating Officer shall promptly confer with the Audit Committee of the Board of Directors and provide the Committee with a copy of the investigation report which shall promptly verify the conclusions in the investigation report, if necessary, and resolve the Code Violation consistent with the Code and applicable laws and regulations. The Audit Committee of the Board of Directors will be promptly notified about any code violation regarding accounting or auditing matters.
6. Impermissible, illegal or criminal conduct will be reported to Hudson City’s primary regulators and any law enforcement agencies with jurisdiction consistent with confidentiality and the protection of applicable privacy privileges. Hudson City shall fully cooperate with such authorities to bring parties responsible for impermissible, illegal or criminal conduct to justice.
7. In the event of legal proceedings, the reporting person(s) may be deposed, interviewed, and asked to testify, just as any other person having knowledge of the relevant facts and circumstances would be. Hudson City shall seek to protect the identity of the reporting person to the greatest extent practicable.

Employees, Officers or Directors who willfully fail to report a Code Violation or who fail to cooperate in an investigation of a Code Violation will be subject to disciplinary action, possibly including termination of employment, or in the case of a director, dismissal from the Board.

**Request for Waivers.** A waiver of a provision of the Code shall be requested whenever there is a question whether any contemplated action will violate the Code. It is anticipated that waivers will not be granted except under extraordinary or special circumstances. The procedure for requesting a waiver is to seek approval from:

1. The Audit Committee of the Board relates to any executive officer waiver sought (title of Senior Vice President or higher) any Senior Financial Officers (CEO, COO and all Accounting, Audit and/or Compliance officers, with the title of Vice President or higher).
2. The Human Resource Officer if the waiver sought relates to any other employee. The determination shall be made by the employee's immediate supervisor, in consultation with the Human Resource Officer unless such request is quantitatively or qualitatively material or outside the ordinary course of business, in which case such determination shall be made by the Audit Committee.
3. The decision with respect to the waiver request shall be documented and forwarded to the Human Resource Officer for filing and retention, with a copy to the Audit Committee of the Board of Directors.
4. All waivers of the Code shall be promptly reported by the Audit Committee or Human Resource Officer, as applicable, to the Board of Directors.
5. Waivers shall be publicly disclosed on a timely basis as determined by the Board of Directors in consultation with the Compliance Officer and/or legal counsel.

**Sanctions for Code Violations.** Failure to comply with the policies in this Code will result in disciplinary action, ranging from a reprimand to dismissal or removal and possible civil and criminal prosecution. Disciplinary actions will be pursued against all of the following: (a) any director, officer or employee violating this Code; (b) any director, officer or employee deliberately withholding information regarding a Code Violation; (c) the manager or supervisor of a person who has committed an act under (a) or (b), in circumstances where such violation reflected poor supervision or lack of diligence; and (d) any director, officer or employee who retaliates, directly or indirectly, against any employee who reports a suspected Code Violation. In addition, Code Violations may expose the offending officer or employee and Hudson City to monetary damages, regulatory penalties and criminal sanctions. Hudson City will ensure that all disciplinary actions taken to enforce this Code are applied consistently and in accordance with all applicable laws and regulations.

**Retention.** Reports documenting completed investigations will be confidentially maintained for no less than one year.

Hudson City Savings Bank and Hudson City Bancorp, Inc. Code of Ethics for Employees, Officers and Directors was approved by the Audit Committee and adopted by the Board of Directors on December 11, 2003 and revised February 19, 2004.

***Your Personal Commitment to Hudson City's Code Ethics***

All Hudson City employees, officers and directors are responsible for reading, understanding and following the standards outlined in this Code. Please detach, sign and return this page to your supervisor. Thank you.

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I acknowledge that I have received and will comply with Hudson City's Code of Ethics. I understand and agree that the Code of Ethics is **not** an employment contract between Hudson City and me.

I understand that if I have questions related to the standards of conduct in the Code, I am to discuss them promptly with my Manager (Branch or Department), Regional Manager, Senior Management, Human Resource Officer, or the Compliance Officer.

Please sign here: \_\_\_\_\_ Date \_\_\_\_\_

Please print name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Assigned Department/Branch: \_\_\_\_\_