

HUDSON CITY BANCORP, INC.
CORPORATE GOVERNANCE GUIDELINES*

The Board of Directors (“Board”) of Hudson City Bancorp, Inc. (“Company”) has adopted the following guidelines in furtherance of its continuing efforts to enhance its corporate governance.

Mission of the Board

Hudson City Bancorp, Inc. is the parent company of Hudson City Savings Bank, a well-established community banking institution with a long-standing tradition of service excellence. The Company’s goal is to build long-term shareholder value through its Bank on Better Values strategy, which consists of four interrelated elements: customer driven, service excellence, social responsibility and economic prosperity.

The Board’s primary mission is to enhance long-term shareholder value consistent with its fiduciary responsibilities by providing strategic direction, policy approval and management oversight. The Board is elected by shareholders to oversee management, who are charged by the Board with conducting the business of the Company in accordance with the highest legal and ethical standards. The Board serves as the ultimate decision-making body of the Company, except with regard to matters reserved to or shared with the Company’s shareholders.

Director Responsibilities

The core responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, the Board may rely on the Company’s senior executives and its outside advisors and auditors. In addition, the Board and its committees shall have the right at any time to retain independent outside financial, legal or other advisors, at the Company’s expense.

Directors are expected to attend all Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting will generally be distributed in writing to the directors before the meeting, and directors are expected to review these materials in advance of the meeting.

The Board believes that management should speak for the Company. The Chief Executive Officer, assisted by the Investor Relations Department, is solely responsible for the dissemination of information. Directors should refer all inquiries about the Company from the press or other third parties to the Investor Relations Department, the Chief Executive Officer or his designee.

Director Qualifications

The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics desirable for members of the Board. This assessment will include members' qualification as independent, as well as consideration of diversity, skills, integrity, independence of judgment, experience, understanding of the Company's business environment and willingness to devote adequate time and effort to Board responsibilities. The Nominating and Governance Committee, in accordance with the policies and principles in its charter, will select nominees for directorship to recommend to the Board for its approval. Invitations to join the Board shall be extended on behalf of the Board by the Chairman of the Nominating and Governance Committee and the Chairman of the Board.

No director may serve on more than three other public company boards. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board. No director shall serve on the board of directors of an insured depository institution, bank holding company, financial holding company or thrift holding company, other than the Company, its affiliated entities or the Federal Home Loan Bank of New York, while a member of the Board.

A director should remain qualified for Board service throughout his or her term. Hence, a director who experiences a change in his or her principal occupation after such director's election to the Board must give prompt written notice of such change to the Nominating and Governance Committee. The written notice must include an offer to resign from the Board. The Nominating and Governance Committee will evaluate the effect of the change on the director's continuing qualifications for service on the Board and recommend to the Board whether the offer of resignation should be accepted. If the Board accepts an offer of resignation, the director will be deemed to have resigned immediately and without further action on the director's part.

Nominating Procedure

Board members are elected annually by the Company's shareholders, except with respect to vacancies, which are filled by the vote of a majority of directors. The Nominating and Governance Committee is responsible for selecting and recommending to the Board candidates for election as directors. The Nominating and Governance Committee considers all qualified candidates identified by members of the Nominating and Governance Committee, by other members of the Board, by senior management and by shareholders. Shareholders who would like to recommend a director candidate for consideration by the Nominating and Governance Committee may do so by submitting the candidate's name, résumé and biographical information to the attention of the Corporate Secretary, Hudson City Bancorp, Inc., West 80 Century Road, Paramus, NJ 07652, along with the information otherwise required by, and in accordance with the procedures set forth in, the Company's bylaws that are otherwise applicable for shareholder nominations of director candidates. All shareholder recommendations for director candidates received by the Corporate Secretary will be presented to the Nominating and Governance Committee for its consideration. Shareholders also have the opportunity to directly nominate individuals to serve as directors and to present such nominees at an annual meeting, if they

follow the procedures and informational requirements set forth in the Company's bylaws. The Nominating and Governance Committee's recommendations are based on its determination as to the suitability of each individual, and the slate as a whole, to serve as directors of the Company, taking into account the membership criteria discussed below. After the Nominating and Governance Committee has selected and recommended to the Board candidates for election as directors, the Board recommends a slate of directors for election by shareholders at the Company's annual meeting.

Criteria for Election

The Company's goal is to have a Board of Directors who have diverse professional backgrounds and have demonstrated professional achievement with the highest personal and professional ethics and integrity. Important factors that are considered in the selection of nominees for director include experience in positions with a high degree of responsibility, independence, corporate board experience and the ability to commit adequate time and effort to serve as a director. Other criteria that will be considered include expertise currently desired on the Board, geography, finance or financial service industry experience, ethical standards and involvement in the community

Stock Ownership Policy

The Board believes that, in order to align the interests of directors and senior management with shareholders, directors and senior management should have a financial stake in the Company. The stock ownership target for each outside director initially elected/appointed to the Board before July 20, 2010, is Company stock having a value equal to ten times the annual cash retainer for service as director (in each case, exclusive of meeting fees and special retainers for committee chairs and the Lead Independent Director). The stock ownership target for each outside director initially elected/appointed to the Board on or after July 20, 2010, is Company stock having a value equal to five times the annual cash retainer for service as director (in each case, exclusive of meeting fees and special retainers for committee chairs and the Lead Independent Director). The stock ownership target for the Chairman, CEO, President, Chief Operating Officer, Senior Executive Vice Presidents and Executive Vice Presidents, the "Senior Executive Officers", is company stock having a value equal to three times their base salary. The Nominating and Governance Committee is authorized to adopt stock ownership guidelines for other officers of the Company, as it deems necessary or appropriate. Once a Senior Executive Officer or director holds shares with a value equal to or exceeding the applicable multiple, he/she will be deemed to be in compliance with the ownership requirements regardless of future change in stock price. Senior Executive Officers and directors have three years to meet the minimum stock ownership level.

Each outside director, whether incumbent or newly elected, will be required to hold 100% of all compensatory equity grants for service as a director that are made on or after July 20, 2010 until six months following termination of service as a director for any reason. This holding requirement applies to all "full value" awards, such as restricted stock options or stock

appreciation rights, or shares acquired on exercise or settlement of such awards.

A director's or Senior Executive Officer's stock ownership will be based on his or her beneficial ownership of shares as reported in the Company's Proxy Statement for its Annual Meeting of Shareholders, excluding (a) unexercised stock options (whether or not vested); (b) unvested grants of restricted stock; (c) shares held in unvested benefit plan accounts for the director's or officer's benefit; and (d) shares in which the director or Senior Executive Officer does not, in the judgment of the Nominating and Governance Committee, have a substantial direct or indirect pecuniary interest.

Exceptions to the Stock Ownership Policy may be made by the Nominating and Governance Committee for gifts to charity, estate planning transactions, transactions with the Company in connection with exercising employee stock options or paying withholding taxes under equity compensation programs, and certain other circumstances.

Policy Against Hedging

In order to promote the proper functioning of the Company's Stock Ownership Guidelines, Stock Retention Policy and equity compensation programs, and in order to avoid the appearance of impropriety with respect to transactions involving the Company's securities or public disclosures regarding the ownership or holding of Company securities, on and after March 13, 2012, no executive officer or director of the Company may buy or sell an option (other than by acquisition of a compensatory option issued by the Company), put, call, collar, cap, forward exchange contract or any other instrument, arrangement or understanding, however denominated, the intent or effect of which is to transfer to a party the risk of gain or loss with respect to shares of Company's without concurrently transferring legal and beneficial ownership of such shares to the other party. The Compensation Committee may enforce this requirement through the inclusion of transfer restrictions imposed at the time of grant or vesting of equity compensation awards, by requiring periodic certifications of compliance, and/or by taking voluntary compliance with this policy into account in awarding future equity and non-equity compensation. The Compensation Committee may waive this prohibition in the case of intra-family transfers, estate planning vehicles and philanthropic activities determined by the Compensation Committee not to be inconsistent with the intent and purpose of this policy.

Board Size

The Board believes a range of 8 to 15 directors (including independent and non-independent directors) is an appropriate size. This number encourages diversity of experience without diminishing individual accountability or effective discussion. If appropriate, the Board can determine to increase or decrease its size.

Retirement, Term Limits and Nomination Process

No member of the Board who has reached the age of 75 shall be eligible for re-election and no person shall be eligible for initial election as a director who is seventy years of age or more; provided, however, that the Board, upon recommendation of the Nominating and

Governance Committee and by a resolution approved by a majority of the disinterested members of the Board, may exclude an incumbent director from such age limitation for a specified period of time and for a specified valid reason.

There is no other term limit for membership on the Board. The Company values the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. The Board's annual self-evaluation and the comprehensive evaluation by the Nominating and Governance Committee of directors standing for reelection provide the Board with flexibility to retain valued Board members. This approach allows the Board to maintain openness to new ideas and a willingness to critically re-examine the status quo and allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

Independent Directors

A majority of the Board, and, in any event not less than three (3) directors, shall be Independent Directors. "Independent Director" shall mean a person who meets the criteria for independence established by the rules and regulations of the stock exchange on which the Company's shares are listed and who the Board has affirmatively determined does not have a material relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The primary responsibility of the Independent Directors is to ensure that decisions of the Board are made independent of the influence of those who may have a personal interest in the decisions apart from service as a director or officer, or who otherwise might have a conflict of interest in the decision, and to provide a forum for the open discussion of all issues related to independent decision-making by the Board. The role of the Independent Directors does not preclude management from Board decision-making processes.

The Independent Directors will discuss and evaluate decisions with regard to, among other things, significant policy issues, strategic matters with personal implications for inside directors (such as stock offerings and merger and acquisition transactions), long-term strategic planning, CEO and other executive officer evaluations, the Board's self-evaluation, succession planning, and all decisions that may potentially raise a conflict of interest.

Whenever the Chairman of the Board is not an Independent Director, the Independent Directors shall designate, by majority vote, from their own number a lead Independent Director to preside at meetings of the Independent Directors (the "Lead Independent Director"). In order to promote diversity in this role, the Board believes that a director generally should not serve as the Lead Independent Director for more than five (5) consecutive years; however, the Board does not believe that such limitation should be mandated as policy. A description of the role and responsibilities of the Lead Independent Director is set forth below under "*Lead Independent Director*."

The Independent Directors shall meet in executive session at least quarterly and may meet more frequently as circumstances require and as determined by the Independent Directors. A meeting may be called by the Lead Independent Director or by a majority of the Independent

Directors. Notice of any meeting shall be given by the person or persons calling the meeting to each other Independent Director at least 48 hours prior to the meeting. Notice may be given in the same fashion as permitted for notice of Board meetings pursuant to the Company's bylaws and applicable law. A meeting shall be deemed properly called if each Independent Director shall have received such notice or, prior to the conclusion of the meeting, shall have signed a written waiver of notice. The Independent Directors shall establish their own rules of procedure, which shall be consistent with the bylaws of the Company and these guidelines.

A quorum shall consist of at least one-third of the Independent Directors, and in no event less than two (2) Independent Directors. The vote of a majority of Independent Directors present at any meeting at which a quorum exists including the Lead Independent Director, who shall be eligible to vote, shall constitute the action of the Independent Directors.

The Independent Directors may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Independent Directors, attend any meeting of the Independent Directors to provide such pertinent information as the Independent Directors request. Following each meeting of the Independent Directors, the Lead Independent Director shall report the Independent Directors' actions and recommendations to the Board. The Secretary, or such person designated by the Secretary, shall keep written minutes of the meetings of the Independent Directors, which minutes shall be subject to approval by the Independent Directors and, once approved, shall be maintained with the books and records of the Company.

The Independent Directors shall have the authority to delegate any of their responsibilities to subcommittees, as the Independent Directors may deem appropriate in their sole discretion. The subcommittees to whom such actions have been delegated shall report the status of such matters to the Independent Directors from time to time as directed by the Independent Directors.

The Independent Directors may request counsel and assistance from the Company's senior management and its outside advisors and shall have the right at any time to retain independent outside financial, legal or other advisors, at the Company's expense.

Lead Independent Director

The primary responsibility of the Lead Independent Director is to manage the affairs of the Independent Directors in a manner that ensures that decisions of the Board are made independent of the influence of those who may have a personal interest in the decisions apart from service as a director or officer, or who otherwise might have a conflict of interest in the decision, and to provide a forum for the open discussion of all issues related to independent decision-making by the Board. In addition, the Lead Independent Director's responsibilities and duties shall include the following:

- prepare the agenda for each meeting of the Independent Directors in consultation with the other Independent Directors;

- consult with the Chairman of the Board regarding meeting agendas and meeting schedules of the Board;
- preside over any regular or special meeting of the Independent Directors and shall report to the full Board of Directors the actions and recommendations of the Independent Directors;
- serve as the primary liaison between the Independent Directors and management and between the Independent Directors and outside advisors, including legal counsel;
- serve as the primary liaison between the Chairman of the Board and the Chief Executive Officer and the Independent Directors, including providing feedback to the Chairman of the Board and the Chief Executive Officer from meetings of the Independent Directors and discussing with other directors any concerns they may have about the Company and its performance and relaying those concerns, where appropriate, to the full Board; and
- serve as the spokesperson of the Independent Directors at shareholder meetings and other occasions, on matters requiring comment or response by the Independent Directors.

The Lead Independent Director shall participate on such Committees to which such person is appointed and is invited to attend, as a non-voting, ex-officio member, the Committee meetings of any Committees on which the Lead Independent Director is not a member. The agenda and minutes of all Board Committees will be provided, regularly to the Lead Independent Director.

The Lead Independent Director will meet with the CEO and the Chairman of the Board and with such other members of the management at such times and concerning such matters as he or she determines to be necessary or appropriate or useful to the conduct of the affairs of the Independent Directors and the Board.

In addition, the Lead Independent Director shall have the right at any time, on behalf of the Independent Directors, to retain independent outside financial, legal or other advisors, at the Company's expense.

Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and a Risk Committee. All of the members of these committees will be Independent Directors. Committee members will be appointed by the Board, upon the recommendation of the Nominating and Governance Committee, except that the Nominating and Governance Committee shall not make recommendations as to its own members. The members and chair of the Nominating and Governance Committee shall be appointed by the Board, without recommendation by the committee. The Board will periodically consider rotating committee members, but the Board does not feel that rotation should be mandated as a policy.

Each of the aforementioned committees shall have its own charter. Each charter will set forth the purposes, goals and responsibilities of the committee as well as qualifications for committee membership, procedures for committee member appointment, committee structure and operations and committee reports to the Board. Each charter will also provide that the committee will annually evaluate its performance.

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings, to the extent not inconsistent with any requirements set forth in the committee's charter or the Company's bylaws. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

The Board and each of the aforementioned committees have the power to hire independent legal, financial or other advisors, as they may deem necessary and reasonable, at the Company's expense without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

Agenda for Board Meetings

The Chairman of the Board and the Chief Executive Officer, in consultation with the Lead Independent Director, will establish the agenda for each Board meeting. At the beginning of the year the Chairman of the Board and the Chief Executive Officer, in consultation with the Lead Independent Director, will establish a schedule of meetings for the year. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

Materials for Board Meetings

All information and data that is relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting, when feasible, should be distributed in writing or electronically to all members of the Board in advance of the meeting. This will help facilitate the efficient use of time at Board meetings to deliberate and make decisions on key Company issues. In preparing this information, management will ensure that the materials being distributed are as concise as possible while giving directors sufficient information to make informed decisions. The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

Minutes of Board Meetings

The Secretary of the Company, or such other person as he or she designates, shall keep accurate records and minutes of each meeting of the Board. Such minutes shall be distributed to each Board member in advance of the next Board meeting and approved at such meeting.

Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate should be arranged through the Chief Executive Officer. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between themselves and an officer or employee of the Company. The Chief Executive Officer may from time-to-time invite non-Board personnel and/or independent advisors to attend Board meetings.

Director Compensation

A director who is also an officer of the Company shall not receive additional compensation for service as a director. The form and amount of compensation for non-officer directors will be recommended by the Compensation Committee to the Board in accordance with the policies and principles set forth in its charter, and the Compensation Committee will conduct an annual review of director compensation. Compensation directly related to duties as a director, including any additional amounts paid to members and chairs of committees, is the only compensation Audit Committee members may receive from the Company.

Director Orientation and Continuing Education

All new directors must participate in the Company's Orientation Program, which shall be conducted within two months of the annual meeting at which new directors are elected or the Board meeting at which the new directors are appointed to fill vacancies, as applicable. This orientation shall include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethics, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include visits to the Company's headquarters and, to the extent practical, certain of the Company's significant facilities.

All directors will be given the opportunity to attend educational programs pertinent to their service as directors, thereby enabling them to better perform their duties and recognize and deal with various issues that may arise during their tenure as directors, consistent with the applicable rules and regulations of the exchange on which the Company's shares are traded.

Code of Ethics

The Board believes that in order to oversee the successful perpetuation of the Company's business, the Board shall set policies (the "Code of Ethics") for employees, officers and directors regarding: (i) conflicts of interest; (ii) confidentiality; (iii) fair dealing; (iv) protection and proper use of the assets of the Company; (v) compliance with laws, rules and regulations; and (vi) such

other matters as the Board deems appropriate. The Code of Ethics shall encourage the reporting of unethical or illegal behavior and ensure prompt and consistent action against violations of the Code of Ethics. Any waivers of the Code of Ethics for directors or executive officers may be made only by the Board or a Board committee, if so delegated, and must be promptly disclosed to shareholders. The Code of Ethics will be filed as an exhibit to the Company's annual report or posted on the Company's web site, and/or referenced in the Company's annual report as being available in print to any shareholder who requests it. The Company will disclose any waivers of the Code of Ethics for directors or executive officers, if any, each year in the Company's annual report.

CEO Evaluation and Succession

The Compensation Committee will conduct an annual evaluation of the Chief Executive Officer's performance and recommend to the Board the Chief Executive Officer's compensation levels based on such evaluation, in accordance with its charter. The Board will review the Compensation Committee's evaluation in determining whether to approve the recommended compensation levels at least once a year, the Chief Executive Officer shall meet with the Nominating and Governance Committee to discuss potential successors as Chief Executive Officer, and the Nominating and Governance Committee shall make an annual report to the Board on succession planning following such meeting. The Chief Executive Officer shall also have in place at all times a confidential written procedure for the timely and efficient transfer of his or her responsibilities in the event of his or her incapacitation or departure, including recommendations for longer-term succession arrangements. The Chief Executive Officer shall review this procedure periodically with the Nominating and Governance Committee.

Annual Performance Evaluation

The Nominating and Governance Committee shall develop a process for the annual self-evaluation of the Board's performance as well as the performance of each committee of the Board. The results of such evaluations shall be discussed with the full Board and each committee, as applicable, following the end of each fiscal year. The assessment will include a review of any areas in which the Board or management believes the Board can make a better contribution to the Company.

The Nominating and Governance Committee will also administer an annual evaluation of the individual performance of each incumbent director up for reelection, with consideration being given to expertise, group dynamics, core competencies, personal characteristics, accomplishment of specific responsibilities, attendance, participation and candor. In addition to these considerations, any change in position of a director, including retirement, from the position held by them when they were elected to the Board will be used by the Nominating and Governance Committee in its determination whether nomination for reelection is appropriate under the circumstances. The Nominating and Governance Committee will also utilize the results of this self-evaluation process in making recommendations to the Board with respect to assignments of Board members to various committees. The Chairman of the Nominating and Governance Committee shall communicate the results of the evaluation to each director. The results of the evaluation will be summarized and presented to the Board.

Periodic Review of Guidelines

The Nominating and Governance Committee will review these guidelines at least annually and recommend amendments to the guidelines to the full Board for approval as it deems necessary and appropriate.

* As of September 16, 2014