



The First National Bank of Long Island
Where Everyone Knows Your Name[®]

CODE OF ETHICS

**THE FIRST OF LONG ISLAND CORPORATION AND SUBSIDIARIES
CODE OF ETHICS**

POLICY STATEMENT

The activities of The First of Long Island Corporation together with all affiliates and subsidiaries (collectively the “Company”) are affected by a multitude of laws and regulations, as well as its responsibilities to its shareholders, customers, employees and the community in which it serves. Since banking entails the safekeeping of customers’ money, there is no profession where honesty, integrity and high standards of conduct are more important. As bank employees and directors, we must each take a personal vow to conduct ourselves in a manner deserving of public trust and confidence.

This Code of Ethics embodies not only the legal and regulatory requirements, but also the moral and ethical standards by which all personnel must conduct themselves.

CONFIDENTIAL INFORMATION

The unauthorized use or release of confidential information during or after employment or board service with the Company is a breach of this *Code of Ethics*. Confidential information with respect to the Company, its customers, prospective customers, vendors, shareholders and employees acquired during the course of business is to be used solely for Company purposes. Furthermore, such information is never to be discussed with or divulged to unauthorized persons.

Customers, vendors, shareholders and employees expect the Company and its employees and directors to keep all information regarding their personal and business affairs in strict confidence at all times. Examples of confidential customer information include, but are not limited to, business relationships, loans, accounts, balances and credit ratings. Other confidential information includes, but is not limited to, company plans, business activities, policies, objectives, goals, strategies, lists of clients, customers, vendors, employee records, memoranda, documents, manuals, reports, training materials, originals or copies of records, regardless as to who created such records, and all other proprietary information. When an individual’s employment or board service with the Company ceases, said individual may not retain any confidential information.

Furthermore, confidential information available to only one department or affiliate of the Company may not be communicated to other affiliates or departments unless there is a legitimate business reason.

INTEGRITY OF ACCOUNTING AND FINANCIAL INFORMATION

The Company maintains the highest standards in preparing the accounting and financial information disclosed to the public. There should never be any information that is false, misleading or incomplete, or which would otherwise lead to mistrust by the public, inclusive of our customers or our shareholders. All accounting records shall be compiled accurately and in accordance with Generally Accepted Accounting Principles.

No payments on behalf of the Company shall be approved or any transaction made with the intention that all or part of such payment will be used for any purpose other than that described by the documents supporting such. No funds, assets or liabilities of the Company shall be concealed or used for any unlawful or improper purpose.

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In accordance with Section 406(a) of the Sarbanes-Oxley Act of 2002, the Company has adopted a *Code of Ethics for Senior Financial Officers*. All Senior Financial Officers of the Company are required to read, attest and comply with the requirements established by the *Code of Ethics for Senior Financial Officers*. Senior financial officers include the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Accounting Officer, Controller and persons performing similar functions.

In accordance with Section 301 of the Sarbanes-Oxley Act of 2002, which amended Section 10A of the Securities Exchange Act of 1934, the Audit Committee established procedures for the:

- Receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters; and
- Confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

Any employee or director, who has concerns regarding questionable accounting or auditing matters involving the Company, may follow the procedure prescribed in the section of this *Code of Ethics* entitled “REPORTING SUSPECTED MISCONDUCT.”

MONEY LAUNDERING AND TRANSACTION STRUCTURING

The First National Bank of Long Island (the “Bank”) may unknowingly be used to launder money derived from illegal or illicit activities. The intention behind these types of transactions is to hide ownership of the funds from the government. The Company makes every effort, via policies, procedures and monitoring, to resist being associated with money laundering or any other type of criminal activity.

Any employee who knowingly and willfully launders money or assists someone in laundering money is subject to substantial fines and/or imprisonment. In accordance with the Bank Secrecy Act (BSA), any employee who willfully structures a transaction or assists someone in structuring a transaction to avoid the currency reporting requirements of BSA is subject to substantial fines and imprisonment.

All employees are prohibited from engaging in money laundering and/or transaction structuring. All employees are required to report immediately all attempts to launder money, structure a transaction and/or all suspicious activities.

FINANCIAL ACCOUNTABILITY

The Company has numerous internal control policies and procedures in place. The Company expects all employees to be familiar with and operate within the established internal controls. The Company’s internal and external auditors periodically audit internal control policies, procedures and compliance in order to assess the adequacy of these controls. All employees involved in these periodic assessments shall provide accurate information and shall complete internal control and disclosure control certifications in a timely manner.

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INVESTOR RELATIONS

Institutional investors and securities analysts play a critical role in establishing the pricing and liquidity of the securities of The First of Long Island Corporation (the “Corporation”). All employees and directors should refer questions or information requests from the investment community to the Chairman, President and Chief Executive Officer, or Chief Financial Officer to ensure the consistency and accuracy of the information presented.

INSIDER TRADING

The First of Long Island Corporation is a public company the common stock of which is traded on the NASDAQ Stock Market and registered under the Securities and Exchange Act of 1934. Pursuant to the Exchange Act, the Company files periodic reports and proxy statements with the Securities and Exchange Commission (the “SEC”).

The purchase or sale of securities while aware of any material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company’s securities, is prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the SEC and the U.S. Attorneys and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by company personnel. There are additional restrictions under the federal securities laws that apply to purchases and sales of the Company’s securities by directors, officers and other employees of the Company and the Bank.

The Company’s Board of Directors has adopted an Insider Trading Policy both to satisfy the Company’s obligation to prevent insider trading and to help Company personnel avoid the severe consequences associated with violations of insider trading laws. The Insider Trading Policy is also intended to prevent even the appearance of improper conduct on the part of persons employed by or associated with the Company and to help insiders comply with the various reporting and other requirements under the federal securities laws.

Needless to say, a violation of law, or even the appearance of improper conduct, can tarnish the Company’s and an individual’s reputation and irreparably damage a career.

OUTSIDE ACTIVITY

Employees’ and directors’ activities must in no way interfere or conflict with the interest of the Company. No employee or director may engage in outside employment or activity, which may interfere with the time and attention that must be devoted to his or her duties at the Company or adversely affect the quality of the work he or she performs. Outside employment or activities may not compete or conflict with the activities of the Company, involve the use of Company equipment, supplies or facilities, imply the Company’s sponsorship or support, or adversely affect the Company’s reputation.

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All employees are to report in writing any outside employment including self-employment directly to the Human Resources Department. This reporting is to be made at the time of employment or within 30 days of beginning such outside employment.

Becoming a director, trustee or manager of a for-profit corporation, Limited Liability Company or other entity unaffiliated with the Company requires the prior approval of the Board of Directors. A request for such approval shall be submitted by the employee or director in writing to the Governance and Nominating Committee. Such request shall include the name, and address of the for-profit entity and a brief description of its business. The Governance and Nominating Committee may request that the employee or director submit such additional information it deems appropriate.

GUIDELINES FOR ACCEPTING GIFTS

The Bank Bribery Amendments Act of 1985 makes it a federal crime for any officer, director, employee, agent or attorney of the Company to corruptly solicit, demand or accept for the benefit of any person anything of value from anyone in return for any business or service of the Company, intending to be influenced or rewarded, either before or after a transaction is discussed or consummated. Furthermore, the person who corruptly gives, offers or promises something of value with the intent to influence that person is guilty of the same offense.

The following guidelines apply for the receipt of gifts and other items:

- It is improper for an employee or director to accept or solicit a gift in any form (cash, checks, gift certificates, money orders, securities, merchandise, etc.) from a customer or from any person seeking to do business with the Bank. In this context, a “gift” includes any type of gratuity, service, loan, fee compensation, etc.
- An employee should not accept a fee for performing an act that the Bank could have performed.
- An employee or director should not indirectly perform any act that these rules prohibit. For example, it is just as wrong to arrange for a family member to receive a gift as it is for the employee to accept the gift directly.

Specific exception to this prohibition is made if there is no, and there appears to be no, reasonable likelihood of improper influence in the performance of duties on behalf of the Company, and if personal benefit falls into one of the following categories:

- Gifts, gratuities, amenities or favors based on obvious family or personal relationships (e.g., between the parents, children or spouse of a bank official), where the circumstances make it clear that those relationships rather than the business of the Bank are the motivating factors;
- Employees and directors may periodically give or receive meals, refreshments, entertainment (e.g., golf outings, sporting events and cultural events), accommodations or travel arrangements, all of reasonable value, in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions or to foster better business

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relations, provided that the expense would be paid for by the Bank as a reasonable business expense if not paid for by another party;

- Loans from other banks or financial institutions on customary terms to finance proper and usual activities of bank officials (e.g., home mortgage loans);
- Advertising or promotional material of reasonable value (e.g., pens, pencils, note pads, key chains, calendars, etc.);
- Discounts or rebates on merchandise or services that do not exceed those available to other customers;
- Gifts of reasonable value that are related to commonly recognized events or occasions (e.g., promotion, new job, wedding, retirement, holiday or birthday); or
- Civic, charitable, educational or religious organization awards for recognition of service and accomplishment.

If an employee is offered or receives something of value from a customer or from any person seeking to do business with the Bank beyond what is normal and conventional or beyond what is authorized in the *Code of Ethics*, the employee must make full disclosure of the facts to his or her supervisor. Various ways exist to resolve the receipt of an inappropriate gift, depending on the inappropriateness thereof, and includes it being kept by the Company, rather than the employee or director, distributed to the staff or returned to its donor.

CONFLICT OF INTEREST

The Company's reputation for integrity is its most valuable asset and is directly affected by the conduct of its personnel. For this reason, employees and directors must not use their position for private gain, to advance personal interests, or obtain favors or benefits to themselves, members of their families, or any other individuals, corporations or business entities.

A basic premise of this *Code of Ethics* is that each employee and director represents the Company and is obligated to act in the Company's best interest, and thereby in the best interests of its customers and shareholders, without regard to their personal or financial interests or activities. Employees and directors are expected to recognize and avoid those situations where personal or financial relationships might influence or appear to influence their judgment in matters affecting the Company.

Employees and directors should understand that a conflict of interest might arise when there is a mere opportunity for conflict to occur. Although employees or directors may not intend to create a conflict of interest, they must manage their affairs to avoid even the appearance of such conflict. Employees and directors are not permitted to represent or exercise authority on behalf of the Company, grant direct or indirect credit accommodations or make credit recommendations with respect to: members of their families, any individual or organization lending money to or employing them or, to the best of their knowledge, members of their families, or any organization with which they or, to the best of their knowledge, members of their families are associated or in which a material financial interest is held.

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An employee who is an officer of an organization should not be the direct recipient of account statements for such organization. Account statements should be mailed to the organization's office location.

If there is any question regarding a potential conflict of interest or the possible appearance of a conflict, the matter should be referred to the Chief Risk Officer or Director of Human Resources, who will coordinate a resolution in accordance with this *Code of Ethics*.

OTHER AREAS OF RESPONSIBILITY

Personal Finance

Each employee and director is expected to manage his/her personal finances in a manner consistent with employment in a fiduciary institution, to avoid situations that might lead to a potential conflict of interest.

Regulation O places limitations on insider indebtedness. Therefore, the Bank requires that all Executive Vice Presidents and above, must report all borrowings from any source annually to the Bank. All Executive Vice Presidents and above are to report this information to the Chief Risk Officer. Executive Officers are to report this information to the Board (via the Chief Risk Officer). If an Executive Officer's aggregate borrowings increase from the date of the last indebtedness report by \$25,000 or more, an updated indebtedness report is to be filed with the Chief Risk Officer within 30 days of such borrowing. New senior managers will be required to report all indebtedness at the time of hire.

Business Conduct

The activities of the Bank must always be in full compliance with applicable laws and regulations. In dealing with the Bank's internal or independent auditors and attorneys, complete candor is essential.

Political Activity

The Federal Elections Campaign Act prohibits a national bank from making political contributions in connection with federal, state and local elections. Therefore, no employee or director may make any contributions or expenditures of the funds or other property of The First National Bank of Long Island in connection with any election, primary election, political convention or caucus held to select candidates for any political office.

Relationship with the Media

The Company's relationship with the media is an important one that affects our reputation in the community. All employees and directors should refer questions or information requests from reporters and other media representatives to the Chairman, President and Chief Executive Officer, Chief Financial Officer to ensure the consistency and accuracy of the information presented.

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Use of Corporate Name and Letterhead

No employee or director may use the Company's name, logo or letterhead for any purpose other than in the normal course of official company business, unless expressly approved in writing by the Chief Executive Officer, Chief Financial Officer or Director of the Marketing Department.

OBLIGATION TO REPORT SUSPECTED MISCONDUCT

The Company requires all employees and directors, acting in good faith, to report promptly any known or suspected misconduct or violation of the Company's policies and procedures or any situation that could threaten the safety of employees, customers or vendors or the safety or integrity of Company funds, property, records or operating systems.

This *Code of Ethics* establishes the procedures and responsibilities for reporting and resolving instances of known or suspected misconduct in order to: protect the assets of the Bank, ensure a coordinated approach toward resolution of misconduct and encourage compliance with Company policies and procedures and applicable federal and state banking laws and regulations.

Misconduct is any on the job activity performed by an employee that violates state and/or federal laws, or Company policy and procedure. Misconduct includes, but is not limited to, all aforementioned areas as well as:

- Alcohol or Drug abuse
- Use or sale of illegal drugs
- Discrimination
- Sexual Harassment
- Other Harassment
- Embezzlement, theft or misappropriation of funds
- Misuse, misapplication or mismanagement of funds or corporate assets
- Destroying, altering or falsification of company documents records or reports
- Accounting and/or Auditing irregularities
- Conflicts of Interest
- Securities Matters
- Insider Trading
- Disclosure of proprietary information
- Bribery
- Threats to personal safety
- Creating or ignoring safety or environmental hazards
- Violations of antitrust, environmental, or other governmental compliance or regulations

REPORTING SUSPECTED MISCONDUCT

The normal process for an employee to report any suspected wrongdoing is to contact their immediate supervisor, any higher level of management or any member of the Board of Directors, as appropriate. See Exhibit A to this *Code of Ethics* for contact information. If an employee believes that reporting such information to their immediate supervisor or higher levels of management or the Board of Directors would not sufficiently apprise the Company of the problem, or if they are uncomfortable for any reason, then the said employee should call The Network, Inc.

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at 1-877-888-0002. The Network, Inc. is an independent company that provides an anonymous hotline reporting service 24 hours a day, 7 days a week. Information reported to The Network, Inc. is forwarded via e-mail to the Chief Risk Officer, President/CEO, Chairman, Chairwoman of the Governance and Nominating Committee and Chairman of the Audit Committee.

No employee or director may interfere or try to interfere with the right of another employee or director to report misconduct and may not retaliate against an employee or director who has reported misconduct. If an employee or director believes that retaliation or interference was threatened, attempted or occurred, he/she may file a complaint with the Director of Human Resources, Chief Risk Officer, President/CEO, Chairman, Chairwoman of the Governance and Nominating Committee or Chairman of the Audit Committee, as appropriate.

The Governance and Nominating Committee has appointed the Chief Risk Officer to be responsible for coordinating the resolution of reported issues relating to the Code of Ethics and Code of Ethics for Senior Financial Officers. As appropriate, the Chief Risk Officer works with the Board of Directors, Senior Management, Human Resources, General Counsel and any other outside professionals to resolve reports of suspected misconduct.

CODE OF ETHICS VIOLATIONS

Compliance with this *Code of Ethics* is a condition of employment or board service and any violations thereof may result in disciplinary action up to and including termination of employment or dismissal from the Board of Directors.

The Company reserves the right to seek all remedies available to restore monetary damages or harm to the Company from a violation of this *Code of Ethics*, as well as referral of matters to appropriate legal and/or regulatory authorities for investigation and prosecution.

ACKNOWLEDGEMENT

Every employee and director is required to sign a statement that he/she has read this *Code of Ethics* and understands its provisions and agrees to abide by them. Employees and directors may be required to provide a periodic acknowledgement.