



CODE OF ETHICS

AND

BUSINESS CONDUCT

“The Leumi Way” | Spirit, Values, Ethics

November 2009

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BANK LEUMI USA

CODE OF ETHICS AND BUSINESS CONDUCT

November 2009

STATEMENT OF INTEGRITY

Bank Leumi's Code of Ethics and Business Conduct ("Code") reaffirms our basic commitment to the tenets of ethical conduct for directors, officers and all employees of the Bank. It outlines the expected behaviors of all Bank Leumi employees and, where applicable, its customers, contractors, vendors and suppliers (hereinafter referred to as "Business Partners"). The foundation of our Code consists of basic standards of business as well as personal conduct: (a) honesty and candor in our activities, including observance of the spirit as well as the letter of the law; (b) avoiding conflicts between personal interests and the interests of the Bank, and even the appearance of such conflicts; (c) maintaining the confidentiality of information about the Bank, our customers and our suppliers; (d) avoiding activities which might reflect adversely on the Bank's reputation; (e) integrity in dealing with the Bank's assets and liabilities; (f) full, fair, accurate, timely and understandable disclosure in reports and documents filed with regulatory authorities and in other public communications made by the Bank; (g) compliance with applicable laws, rules and regulations; (h) prompt internal reporting of actual or suspected Code violations to appropriate persons as identified in the Code; and (i) accountability for adherence to the Code. In some sections, the Code will provide an example to help further explain a particular Code provision. These are merely illustrations intended as learning aids. If you do not understand any section of the Code, please do not hesitate to contact your manager or Human Resources.

There may be times when one of us may be considering taking action that is prohibited by this Code, but which we might regard as being minor. Please note that the Bank is very serious about enforcing this Code, and will not tolerate even minor violations. If you need guidance on any matter, consult with your manager and/or the appropriate contacts as identified in the Code.

The objective of conducting business with unwavering integrity is of paramount importance to preserving Bank Leumi's heritage and reputation and to sustain its future success. All employees have an obligation to ensure that this Code is adhered to on a daily and regular basis. Bank Leumi employees are stewards of this Code. In addition to adhering to the Code, it is also the responsibility of every Bank Leumi employee to report violations of the Code. Bank Leumi employees will have various internal resources for reporting concerns as well as the option of calling in a concern to an employee hotline number (212) 768-8319. All reports of violations will be investigated as appropriate and Bank Leumi will protect from retaliation any employee who makes a report of an ethics concern in good faith.

As part of the Bank Leumi Group, Bank Leumi USA also complies with the "Leumi Way" (<http://blusahr.com/documents/EthicalCodeEng1009.pdf>).

In sum, Bank Leumi strives for the highest ethical standards and the utmost integrity. This Code is designed to help you address every day business matters and transactions in a way that reflects the Bank's ethical standards.

This Code of Ethics and Business Conduct is not an employment contract and all Bank Leumi employees are employed "at will" which means that either Bank Leumi or its employees can terminate the employment relationship at any time, with or without cause and with or without notice.

The Bank Leumi Senior Management Team has the right to amend, modify or revise this Code of Ethics and Business Conduct at any time with or without advance notice to Bank Leumi employees or Bank Leumi's Business Partners.

SECTION 1. INTRODUCTION

SCOPE: This Code applies to employees of Bank Leumi USA (hereinafter referred to as “Bank Leumi” or the “Bank”), including all officers and managers and, where applicable, to Bank Leumi directors. In addition, the Code applies, where applicable and permissible, to Bank Leumi’s Business Partners. No employee or director should effect or participate in any conduct or transaction which will directly or indirectly result in a breach of this Code.

REQUIREMENTS: Bank Leumi employees are expected to understand and comply with Bank Leumi’s Code of Business Ethics and Conduct. Bank Leumi employees should read this Code, be sure to understand its requirements, to ask questions as necessary, and to report any concerns that they may have about violations or potential violations of the Code. All reports will be taken seriously and investigated in accordance with the provisions of this Code. As stated within the anti-retaliation provisions of the Code, employees who report a concern in good faith about an alleged Code violation are protected from any form of retaliation.

If you are not sure whether a given matter is in conflict with the Code, consider the following questions:

- *Does the activity comply with the law, Bank Leumi’s Code and Bank Leumi’s policies and practices?*
- *How would Bank Leumi’s customers, law enforcement, media and/or the general public view the activity?*

REPORTING A CONCERN: Ultimately, Bank Leumi’s ability to enforce the Code is based in large part on the willingness of Bank Leumi employees to follow the Code’s requirements and on their willingness to report alleged violations of the Code. Indeed, reporting Code violations is a duty and a failure to make a report can itself lead to substantial consequences to employment. The Code provides guidance as to how to go about reporting an alleged Code violation. For deliberate reasons, the Code provides employees with multiple options for reporting an alleged Code violation including your manager, Human Resources, or the General Counsel. Please be assured that your calls will be handled with seriousness and with discretion.

SECTION 2. MAINTAINING A SECURE WORK ENVIRONMENT

Bank Leumi strives to maintain a safe and secure work environment by way of the policies referenced below.

Section 2.1: Equal Employment Opportunity - Bank Leumi is an equal opportunity employer and does not allow discrimination on the basis of protected personal characteristics with respect to its employment practices. More specifically, it is Bank Leumi's policy to recruit, employ, train, promote, compensate, reward and discipline staff members without regard to race, color, religion, sex, age, national origin, citizenship, ancestry, disability, veteran status, sexual orientation, or any other factors protected by federal, state and local law. It has been and will continue to be the policy of Bank Leumi to base all employment practices and related decisions upon valid business factors and individual merit. Employees who believe they are the victim of discrimination in the workplace should report their concern to their manager or to Human Resources.

Section 2.2: Harassment-Free - Bank Leumi strives to foster a work environment free of sexual discrimination, intimidation or insult and therefore Bank Leumi has zero-tolerance for conduct that constitutes harassment in the workplace. Bank Leumi prohibits any member of management, any employee and/or the employees of Business Partners from making unwelcome and/or unsolicited sexual advances. This includes verbal or physical conduct of a sexual nature. This also includes situations where an individual's submission to verbal or physical conduct is made explicitly or implicitly a term or condition of that individual's employment. Bank Leumi also prohibits any conduct that creates an intimidating, hostile, or offensive working environment. For more information about conduct that may constitute harassment and for directions on reporting such complaints, please see the Employee Policy Manual.

Section 2.3: Violence-Free Workplace - Bank Leumi strives to maintain a safe work environment that is free from violence. Bank Leumi prohibits violence in its workplace of any kind directed towards or against Bank Leumi employees whether such violence arises by way of co-workers or by way of employees of Business Partners who interact with Bank Leumi employees. Bank Leumi will not tolerate workplace violence in any form including threatening behaviors, assaults, harassment, intimidation, bullying, taunting, teasing, or any other conduct that leads to violence in the workplace.

Additionally, subject to applicable laws, Bank Leumi prohibits possession of any dangerous weapons on its premises as well as at Bank sponsored events. Such prohibited weapons include firearms, weapons accessories, and dangerous substances.

Employees are encouraged to report any violent workplace behavior whether directed against them or others, to their managers, Human Resources, or to the contacts referenced in this Code.

Section 2.4: Safety and Security - Bank Leumi strives to provide a safe and healthy work environment for all employees. Employees must comply with all Bank Leumi safety and health requirements, whether established by management or by federal, state, or local laws.

Section 2.5: Drug-Free Workplace and Workforce - Bank Leumi endeavors to create a drug-free workplace and therefore prohibits unlawful possession, use, dispensation, distribution or manufacture of controlled substances: on work premises; in any areas owned or controlled by the Bank; or off-Bank premises while conducting Bank business. Bank Leumi also prohibits the possession of drug paraphernalia on Bank Leumi's premises.

SECTION 3. MAINTAINING ACCURATE AND COMPLETE RECORDS

Bank Leumi strives to maintain accurate business records and to protect Bank funds and assets. Bank Leumi also is committed to maintaining a system of internal controls that ensures compliance with applicable laws, regulations, and that promotes the full, accurate and timely disclosure of information in Bank Leumi's reporting to: internal management, the Board of Directors, external auditors, and external parties including regulatory and governmental authorities. Accordingly, The Bank has established internal accounting controls and record keeping policies in order to meet the legal and the business requirements of the Bank. Employees are expected to maintain and adhere to these controls and policies.

Section 3.1: Financial Reporting - Bank Leumi must maintain accurate financial records of its business transactions and must ensure proper reporting to auditors of its financial results. The accounting records of the Bank must be complete, accurate and reflect in reasonable detail transactions and disposition of assets. Such records include books of original entry and other financial information used for internal management decision-making and external reporting. The underlying transactions must be properly authorized and recorded on a timely basis in order to permit preparation of financial statements in accordance with generally accepted accounting principles and to maintain accountability of assets. To the extent that employees create, handle, or are otherwise involved in the handling of financial records they must ensure that the records are accurate, properly maintained, and appropriately represented in internal and/or external financial disclosures.

Section 3.2: Bank Records - It is the responsibility of all Bank Leumi employees to ensure that Bank Leumi's records including documents, electronic information, voicemails, and any other form of media are properly managed, handled, stored and, where applicable, destroyed as appropriate in accordance with retention guidelines. In the normal course of performing the job, employees will likely receive, create, and transact with Bank records. Employees are required to properly maintain these records, to ensure that they are properly filed, labeled, and that access is appropriately limited to those with a business need to access the records.

Section 3.3: Travel and Expense Reimbursement - Bank Leumi reimburses employees for expenses incurred for the benefit of the Bank. All Employees who are authorized to incur business expenses must submit accurate expense records in accordance with Bank Leumi's guidelines. Travel and expense reimbursement requests that are inaccurate, inflated or based on fictitious expenses will be considered fraudulent. Bank Leumi has zero-tolerance for employees that submit inappropriate or fraudulent reimbursement requests and such conduct will be the basis for discipline up to and including termination.

Illustrative Example: Employee Jane witnesses her manager Joe prepare a request for reimbursement which Jane will then need to submit to the finance department as his administrative assistant. Jane notices that he does not have any of the original supporting documentation for his expenses including receipts. She also realizes that Joe attached to the reimbursement form three fake "replacement receipts" which he admitted to Jane that he took from a nearby table at the restaurant. What should Jane do?

- a. *Question Joe and conduct an investigation to determine whether the reimbursement request is proper.*
- b. *Report the matter to Human Resources.*
- c. *Realizing that her performance review is scheduled for next week, process the request for reimbursement on his behalf and simply "look the other way" so as to not harm her working relationship with Joe and possibly provoke him into giving her a negative evaluation.*

The correct answer is B. Jane has witnessed a serious matter and a potential breach of the Code. Jane should not be concerned about her upcoming review because Bank Leumi has an express policy protecting her from retaliation from Joe. Jane should not conduct an investigation but rather should leave that to Human Resources to determine who will review the matter and how it will be handled.

Section 3.4: Document Retention & Litigation Hold Procedures - Document retention is critically important to Bank Leumi's business operations. All business records including documents, electronic records, emails, and any other form of media should be maintained as required by your management and in accordance with any applicable retention schedule. Bank Leumi employees are required to become familiar and abide with Bank Leumi's record retention guidelines. From time to time, similar to many companies, Bank Leumi will be involved in a lawsuit. In the event of litigation, Bank Leumi may need to issue a Litigation Hold Notice advising certain individuals of the Bank's need to retain, for legal purposes, specific types of records including documents, electronic records, email, voicemails and other forms of Bank information. If you receive a Litigation Hold Notice memorandum from Bank Leumi management, you are required to immediately follow the requirements of the notice. Litigation Hold Notices supersede any other retention schedule that would otherwise apply to the records at issue. It is important that records subject to a Litigation Hold Notice not be destroyed or in any way altered.

***Illustrative Example:** Manager Terry recently fired a member on her team named James. After his termination, James sends an email to the entire department stating his intention to sue the Bank for unlawful discrimination. Terry subsequently calls a meeting and instructs members of the team to delete the email as well as prior emails from Terry to the team that included jokes about James' age and sexual orientation. What should Terry's remaining team members do about Terry's instruction?*

- a. Follow Terry's request and not second guess her strategy for defending against James' threatened lawsuit.*
- b. See whether Bank Leumi's document retention schedule calls for deletion of emails upon a manager's request.*
- c. Refrain from deleting anything about employee James given the threat of possible litigation and follow up with Human Resources to confirm that this is the correct thing to do.*

The correct answer is c. The Bank is on notice of potential litigation so all documents relating to James should be kept. The manager's request to delete emails is wrong. Checking in with Human Resources is the right thing to do if you are in doubt before destroying or deleting any documents including email.

Section 3.5: Official Bank Leumi Personnel Records –The Bank strongly respects the privacy rights and dignity of each employee. Employees are required to update their contact information as appropriate with Human Resources. The Bank pledges to conduct its business in a way that protects the privacy of the entire workforce. Bank Leumi also intends to ensure that its practices are in compliance with the federal privacy laws and all applicable state and local laws.

SECTION 4: CONFLICTS OF INTEREST

Bank Leumi strives to encourage and promote objectivity in business decision-making. All employees are expected to make business decisions with Bank Leumi’s best interests in mind and to exercise business judgment independent of external influences such as personal financial interests, external business relationships, outside employment, and familial relationships. Avoiding conflicts of interest is critical to maintaining integrity and honesty in the way Bank Leumi conducts its business. Potential conflicts of interest can arise in any of the following circumstances - when an employee:

- *Accepts gifts from a potential business partner;*
- *Accepts additional employment by another company;*
- *Has a financial interest in a business partner or competitor;*
- *Places business with any firm in which the employee or an immediate family member of an employee has a financial interest; or*
- *Inappropriately communicates with a competitor.*

These potential conflicts are discussed further below. It is each employee’s duty to report, either to his or her manager or any of the Code Contacts listed in Section 10, any known conflicts of interest within the Bank.

Section 4.1: Gifts, Gratuities, And Entertainment – No Employee or Director shall solicit anything of value from anyone in return for any business, service, or confidential information of the Bank. No Employee or Director shall accept anything of value (other than a bona fide salary) from anyone in connection with the business of the Bank, whether before or after a transaction is discussed or consummated. The only exceptions to this prohibition are:

- (a) The value of the gift does not exceed \$50 and its receipt is in accordance with circumstances specified by the Director of Human Resources, including circumstances specified in an annual “holiday season memorandum” to Employees.

- (b) Acceptance is based on a family or personal relationship that exists independently of any Bank business.
- (c) The benefit is available to the general public under the same conditions on which it is available to the Employee or Director.
- (d) Acceptance of meals, refreshments, entertainment (including admission to sporting and other performance 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 relations, provided that the expense would be paid by the Bank as a reasonable business expense if not paid for by another party. Included is attendance at corporate-sponsored entertainment attended by other business representatives such as golf outings. If a prize is awarded at the event, the value of the prize received may not exceed \$50, when aggregated with any other prizes received by the recipient or members of the recipient's immediate family during the previous 60-day.

Any gift which is prohibited shall be (1) refused or returned promptly by the Employee or Director to whom it is offered or by whom it is received, and (2) reported promptly in writing to the Director of Human Resources. In unusual circumstances where return of the prohibited gift is impractical or awkward, the Director of Human Resources may direct that the gift be donated, without any tax benefit arising out of such donation, to a charitable organization selected by the recipient and shall promptly inform the presenter in writing of the donation.

Section 4.2: Self-Dealing - Employees and Directors owe a duty to the Bank to advance its legitimate interests when the opportunity to do so arises. Accordingly, Employees and Directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of Bank property, information or position; (b) using Bank property, information or position for personal gain and (c) competing with the Bank.

Section 4.3: Additional Conflicts Of Interest That Are Prohibited Include The Following:

- 1. Dealing With Suppliers:** Employees must award orders, contracts and commitments to suppliers of goods or services without favoritism. Bank business of this nature must be conducted strictly on the basis of merit and in accordance with the Bank's written procedures.
- 2. Fair Competition:** Under no circumstances shall Employees or Directors enter into arrangements with competitors affecting the pricing or marketing policies of the Bank or its competitors. In addition, neither Employees nor Directors should discuss any pricing or marketing information with anyone who is or might be a competitor.

- 3. Borrowing:** Except for borrowing from a financial institution on non-preferential terms, no Employee may borrow money from anyone who is a supplier or customer of the Bank, or from any financial institution with which the Bank has a correspondent or other business relationship.

4. Service with Outside Organizations

- (a) Businesses Organized for Profit:** An Employee must never become a director, officer, partner, employee, or agent of a business organized for profit without first obtaining a written statement from the head of his or her division, stating that there is no objection to such service. Officers must request approval from the Office of General Counsel and Directors must disclose such affiliations to the Office of General Counsel.

- (b) Not-For-Profit Organizations:** The Bank strongly encourages Employees to participate in civic and charitable activities. These include, but are not limited to, service with charities, trade organizations, economic groups, colleges, universities, and governmental units. In some cases, business relationships between the Bank and such entities may exist. To ensure that conflicts of interest do not exist, Employees should review involvement in civic and charitable organizations with the department head, the General Counsel, or the Director of Human Resources.

In addition, service with a governmental unit requires that adequate written assurances are first given to the Bank that business relationships between the Bank and the governmental unit would not be prohibited or limited because of statutory or administrative requirements regarding conflicts of interest.

- (c) At the Request of the Bank:** For business reasons, it is sometimes desirable for an Employee to become a director, officer, or employee of a business organized for profit or of a not-for-profit organization. In these situations, a background memorandum from the department head should be submitted to the Director of Human Resources. The Director of Human Resources, in turn, will prepare a memorandum for the signature of the division head requesting that the Employee serve in such position at the request of the Bank.

Any compensation earned by an Employee for service to an organization at the request of the Bank shall be remitted to the Bank.

- 5. Personal Fiduciary Appointments:** No Employee shall accept any personal appointment by or on behalf of a Bank Customer or Supplier, except an appointment by a family member.
- 6. Personal Fees And Commissions:** No Employee or Director shall accept compensation from a Customer, prospective Customer, Supplier or prospective Supplier for consulting or other services without obtaining the prior approval of the Board of Directors of the Bank. An Employee or Director shall submit a written request to the Office of the General Counsel.
- 7. Work Relationships:** All personnel decisions must be based on sound management practices without regard to family or personal relationships. Accordingly, employees should not directly manage other employees with whom they have a personal or family relationship.
- 8. Writing For Publication; Public Speaking:** With regard to written materials authored by Bank employees as well as oral presentations made by Bank employees, there shall be no attribution to the Bank unless the Employee has received written authorization to make such attribution from the Bank.
- 9. Outside Business:** Employees cannot conduct the business of any outside employment during their work time at Bank Leumi. Further, Bank Leumi assets, including email, voice mail, fax, computers, copiers and the like cannot be used in furtherance of non- Bank Leumi business.

Illustrative Example: Manager Steve works as a real estate broker in his spare time. He routinely communicates with his clients on his personal cell-phone during the day. At times, he uses Bank Leumi's fax machine and computer to conduct his real estate business but he is careful to do this during his lunch break and after business hours. Has Steve violated the Code?

- a. Yes, Steve is using Bank assets for a personal business rather than Bank Leumi business.*
- b. No, as long as he continues to use the fax and computer during lunch and after business hours.*
- c. No, because he once asked his supervisor if he could "quickly use" the fax and computer to complete a real estate deal and his boss said he "did not care."*

The correct answer is A. The computer and fax are for Bank Leumi business use only. While incidental use of these assets for personal use is acceptable, such assets should not be routinely used for non-Bank Leumi business even if such use is approved on a one-time basis.

10. Financial Interest in Business Partners: Employees must disclose to Human Resources any direct or indirect (via family members) financial interest in Bank Leumi's Business Partners, customers, or clients.

Illustrative Example: *Employee John's wife Susan recently decided to start a software development company. John is a manager in the finance department and the finance unit has declared the need to find a new software vendor to develop financial reporting capability. John has been given the responsibility to find the best vendor for the company. John knows the usual process is to get quotes from several vendors and to retain the vendor that is best for the company. In this instance, however, John believes this is an excellent opportunity to help his wife's new business venture and, because of how well he knows Susan and her talents, he is confident she will do a good job for the company. Has John violated the Code?*

- a. *No, he has much better knowledge of Susan's capabilities and her integrity. Retaining Susan is a safe bet for the company.*
- b. *Yes, John has a conflict of interest and he has not reported this matter to his manager.*
- c. *Yes, John has failed to follow the protocol for hiring a vendor.*

Answer: Both b and c are correct. John should alert his manager or Human Resources to the fact that his wife owns a company that may be a possible match for the company's need and this will provide the company with the ability to identify another decision maker for the vendor selection process. John's attempt to take a short cut in the vendor selection process is also a breach of the Code given that the process is a company requirement.

SECTION 5. CONFIDENTIALITY OF CORPORATE INFORMATION

Section 5.1: Generally - Confidentiality is a fundamental principle of the financial services business. The principle is equally applicable to non-public information concerning the Bank and to similar information received by the Bank from a Customer or Supplier for an express business purpose. Bank Leumi has adopted a Corporate Information Security Policy and Program and a Customer Information Security Policy and Program. The Bank Leumi Corporate Information Security Policy and Program requires that all Bank Leumi information be classified. The four classifications are: BLUSA Public, BLUSA Internal Use, BLUSA Confidential (all Customer Information is presumed to be BLUSA Confidential), and BLUSA Restricted.

Section 5.2: Confidential Information Concerning The Bank - Bank Leumi expects undivided loyalty to the interests of the Bank, including protection of the Bank’s trade secrets and its private and confidential client information. “Confidential information” refers to all non BLUSA Public and non BLUSA Internal Use information, in any form, emanating at any time from Bank Leumi, its affiliates, any Bank Leumi client, or any other person that relates in any way to the business or operations of Bank Leumi, its affiliates, or any Bank Leumi client. BLUSA Confidential information includes Bank Leumi information that is labeled “confidential” as well as information that is not labeled as “confidential” but by its nature should be reasonably construed as being confidential to Bank Leumi. Examples include Bank Leumi business plans, operating plans, strategy plans, financial data, product and service information, client data, sales data, Bank reports, contracts and related information, and personnel information.

Employees shall preserve and protect BLUSA Confidential and BLUSA Restricted Information and all physical and non-physical forms of that information. Employees may not share such privileged information with people outside of the Bank and any inquiring outside parties who claim to have a “need to know” should be referred to a member of the Senior Management Team. Employees who terminate employment with Bank Leumi are obligated to continue to maintain the confidentiality of proprietary information obtained or developed while employed by Bank Leumi.

Upon termination of employment, or earlier, if requested to do so by Bank Leumi, regardless of the timing, reasons, or circumstances of the termination, employees must deliver to Bank Leumi all materials, documents, passwords, and other tangible or intangible storage media containing any form of BLUSA Confidential and BLUSA Restricted Information, whether located on Bank Leumi’s premises or elsewhere.

Illustrative Example: *John enters an elevator with his co-worker Andrew and there are other people in the elevator that do not work for Bank Leumi. As they enter the elevator, Andrew continues discussing a classified project that they are both working on. What should John do?*

- a. *Continue discussing the project so as not to be rude to Andrew.*
- b. *Politely say to Andrew, “lets discuss this when we get back to the office.”*
- c. *Just ignore Andrew and not say anything.*

The correct answer is B. John’s comment to Andrew will help Andrew remember his duty to keep Bank information confidential.

Section 5.3: Confidential Information Concerning Customers - Employees must maintain the confidential relationship between the Bank and each of its Customers. All Customer information is presumed to be BLUSA Confidential. Customer information such as account balances, financial information obtained from the Customer, or anticipated changes in the management or financial condition of the Customer, must never be divulged to outsiders unless such disclosure is legally permissible. Internally, such information should be utilized only for the express business purpose for which it was given and restricted within the Bank to those who need to know.

Confidential information concerning Customers must never be exchanged between Employees performing fiduciary or investment management services and those engaged in rendering commercial banking services, such as credit. The Bank's policy requires that a "trust wall" must be maintained between the commercial and the trust sides of the Bank. The primary purpose is to prevent trust and investment officers from making investment decisions based upon confidential information received from the commercial side of the Bank.

Section 5.4: Confidential Information Concerning Suppliers - Confidential or sensitive information, such as pricing, submitted to and maintained by the Bank in connection with the purchasing of equipment, supplies and services, must be maintained in strictest confidence in order to avoid giving or removing any competitive advantage with respect to any of several suppliers. Disclosure of such information will be considered a violation of the Bank's policy even if the Bank appears to be benefiting from such disclosure.

Section 5.5: Proprietary Information, Products, Services And Other Property - All Employees are expected to protect the Bank's property, both tangible and intangible, including without limitation, information, products, services, furnishings, equipment and supplies as well as property created, obtained or copied by the Bank for its exclusive use such as client lists, files, reference materials and reports, computer software, data processing systems, and data bases.

The misuse of the Bank's property is prohibited and the removal thereof from Bank facilities for purposes other than Bank business is also prohibited unless specifically authorized. Neither originals nor copies may be used for purposes other than Bank business.

SECTION 6. INTEGRITY IN THE MARKETPLACE

Bank Leumi strives to conduct business with clients, competitors and regulators with complete honesty and integrity. Bank Leumi expects employees to eagerly service clients and contend with competitors in a professional and ethical manner.

Senior Management of the Bank must be informed at all times of matters which might adversely affect the reputation of the Bank. No Employee or Director shall conceal information that may have a material adverse affect on the Bank's relations with its Customers or Suppliers. Complete candor and cooperation is required in dealing with the Bank's independent and internal auditors, investigators and attorneys.

Requests by regulatory or governmental agencies for information other than that required for bank examinations and required reports should be referred to the Office of the General Counsel.

SECTION 7. INTEGRITY IN GOVERNMENT RELATIONSHIPS

Section 7.1: Political Contributions - Federal law prohibits corporations from making contributions directly or in kind to candidates for federal office or to national political parties. Some states allow corporations to make direct contributions to candidates for state or local elected office and to state and local political parties. The Bank will make political contributions only under circumstances approved in advance by the Chief Executive Officer.

Section 7.2: Employee Political Involvement - Employees are encouraged to be involved in the political process as private individuals. Employees are free to express their political views and to support candidates of their choice. Employees are prohibited from speaking on political matters on Bank Leumi's behalf without the express consent of the Senior Management Team. Moreover, Bank Leumi employees may not use corporate resources or seek reimbursement from Bank Leumi for any expenditure in connection with such activity. Also, employees may not endorse candidates on Bank Leumi's behalf.

Section 7.3: Gifts and Entertainment with Public Officials – Various laws may apply to providing gifts or entertainment to government and public officials. Bank Leumi employees are therefore prohibited from providing or receiving any gifts or entertainment to public officials including employees of federal, state or local government agencies that regulate, oversee or otherwise interact with the Bank as well as the banking industry.

SECTION 8. COMPLIANCE WITH LAWS

Bank Leumi is committed to complying with all applicable federal, state, and local laws. Compliance with laws and regulations is an integral element in the successful conduct of the Bank's business. If there is any question about the applicability of any law or regulation, Employees and Directors should seek advice from the Compliance Department. Some of the important laws that may apply to the Bank are referenced below.

Section 8.1: Foreign Corrupt Practices Act – The Foreign Corrupt Practices Act (FCPA) strictly prohibits the use of bribes or illegal payments to any non-United States official, political party or political candidate to obtain or retain business or other improper advantage. Bank Leumi prohibits employees from participating in activity that might violate the FCPA such as commercial bribes, kickbacks, manipulations of sales, and keeping inaccurate books and records that attempt to disguise or conceal illegal activity.

Section 8.2: Information Protection – Bank Leumi employees are responsible for protecting the Bank's information resources. This responsibility applies to internally developed confidential information, as well as to any confidential information received from third parties. Federal, state, local law and Bank Leumi policy guide management in authorizing access, use or disclosure of information resources.

Section 8.3: Competitive Intelligence – Bank Leumi requires all employees to comply with all applicable laws in acquiring competitive intelligence. Bank Leumi prohibits acquiring competitive intelligence by means of theft, blackmail, wiretapping, electronic eavesdropping, bribery, improper inducement, receiving stolen property, threats, or other improper methods. Employees must respect the confidentiality of competitors' information and must not misrepresent who they are or for whom they work in obtaining such information. Employees should immediately notify their manager whenever the employee believes he/she has received information that the employee believes may be confidential or proprietary to another organization.

Section 8.4: Antitrust - Bank Leumi strives to conduct business with clients and competitors with complete honesty and integrity. Bank Leumi is committed to upholding federal and state antitrust laws which exist to promote vigorous competition and open markets. Bank Leumi prohibits employees from making false statements about competitors or their products or services; and prohibits employees from illegally obtaining the competitor's confidential information.

Section 8.5 Insider Trading - Securities transactions engaged in by Employees shall be in conformity with (i) the highest ethical standards and in compliance with all statutory and regulatory provisions relating to insider trading, and (ii) the Bank's Policy Statement and Procedures Relating to Insider Trading. Please see the Employee Policy Manual for more information on insider trading.

Section 8.6: Bribes, Kickbacks, Credit - No bribes, kickbacks, or other similar remuneration or consideration shall be given to any person or organization in order to attract business. In addition, no Employee shall make any preferential extension of credit to any executive officer, director or principal shareholder of the Bank or another bank or bank holding company.

SECTION 9. COMMUNICATIONS WITH EXTERNAL ENTITIES

All requests for interviews and/or comments from national and local media should be referred immediately to Bank Leumi's Director of Human Resources.

SECTION 10. REPORTING VIOLATIONS OF THE CODE

Section 10.1: Violations of the Code - Violations of the Code may constitute grounds for dismissal or other disciplinary action. This could include a range of action including an employee written warning, employment suspension or termination. The proper course of action to be administered will include the involvement of the CEO, General Counsel and the Director of Human Resources.

Section 10.2: Reporting Code Violations

(a) Requirements: The Bank is committed to administering the Code fairly, objectively and conscientiously. The identity of Employees about whom or against whom a violation of the Code has been made will remain confidential to the extent possible. If it is determined that the identity of the Employee must be disclosed, it will only be disclosed on a need-to-know basis. The identity (if known) of Employees who report a violation will remain confidential to the extent possible.

Conduct of an illegal, fraudulent, questionable or unethical nature or which appears to be in violation of the Code must be promptly reported by an Employee or Director in accordance with the Code. Failure to report apparent or suspected violations of the Code will constitute a violation of the Code.

The Bank will not retaliate against an Employee who in good faith makes a report of any conduct the Employee reasonably believes is illegal, fraudulent, questionable,

unethical, or in violation of the Code. Retaliation by any Employee or Director will not be tolerated.

It is a violation of the Code to make a report knowing it to be false.

(b) The Procedure: Reports for all matters except complaints involving accounting, internal accounting controls, or audit matters is:

1. Submission Generally.

The report shall be submitted to the Manager of the Employee reporting the conduct or to the Director of Human Resources. If the Manager is notified of the conduct, the Manager shall notify the Director of Human Resources. However, if the conduct involves:

- The Director of Human Resources, an Executive Vice President or a Senior Executive Vice President, the Employee or Director shall report the event directly to the Chief Executive Officer.
- The Chief Executive Officer, the Employee or Director shall report the matter to the General Counsel, who shall report the matter to the Chairman of the Audit Committee of the Board of Directors.

If an Employee or Director is uncomfortable reporting or discussing a Code violation with management identified in the preceding paragraph, such Employee or Director instead may report a matter to the General Counsel.

2. Complaints Regarding Accounting, Internal Accounting Controls, and Audit Matters.

Any complaint regarding accounting, internal accounting controls or audit matters shall be reported to the General Counsel, who shall receive, validate and investigate the complaint in accordance with procedures approved by the Audit Committee of the Board of Directors. All such complaints will be reported by the General Counsel to the Chairman of the Audit Committee of the Board of Directors. A concern regarding questionable accounting or auditing matters may be submitted anonymously and confidentially by an Employee to the General Counsel who will report the matter to the Chairman of the Audit Committee of the Board of Directors. If an Employee believes it necessary to communicate directly with the Chairman of the Audit Committee, the Employee may do so in writing sent to the General Counsel for forwarding to the Chairman of the Audit Committee.

3. Contact Information: Suspected Code Violations May Be Reported To The Following Code Contacts:

Director of Human Resources
John P. McGann
Bank Leumi USA
420 Lexington Avenue-10th Floor
New York, NY 10170
Phone: 917 542-2345
Fax: 917 542-2352
john.mcgann@leumiusa.com

Chief Executive Officer
Mr. Uzi Rosen
Bank Leumi USA
579 5th Avenue
New York, NY 10017
Phone: 212 407-4400
Fax: 212 407-4455
uzi.rosen@leumiusa.com

General Counsel
Wendi G. Glassman
Bank Leumi USA
562 Fifth Avenue
New York, NY 10036
Phone: 212 626-1266
Fax: 212 626-1195
wendi.glassman@leumiusa.com

Confidential and Anonymous Hotline: (212) 768-8319

A report of a violation or a possible violation may be made by telephone, e-mail, in person or in writing (see attached reporting form) by fax or by regular mail. A report may be made anonymously. A sufficiently detailed description of the factual basis for the allegations should be provided in order to allow for an appropriate and thorough investigation. The investigation will be handled in a timely fashion. Unless there are unusual circumstances, the investigation should be completed within 30 business days. The report and all the details will be treated as discreetly as possible. The Bank will do the utmost to protect the privacy of the Employee.

As to all matters, any report received will be immediately recorded in a log book. The report will be assigned a number, and the date of receipt, date of completion of the investigation and the date the matter is closed will be noted. A file will be maintained for each matter.

All Matters reported to the listed Code Contacts will be investigated by appropriate Bank personnel. The Bank will take corrective action as warranted.

On a semi-annual basis, a report will be submitted to the Audit Committee of the Board of Directors of all reports received and the status of any matters pending or resolved during the period.

Section 10.3: Prohibition Against Retaliation - Bank Leumi prohibits retaliation against any individual for reporting a matter internally or externally that the employee, in good faith, believes to be a violation of this Code or any law, rule, or regulation. Retaliation itself is considered by Bank Leumi to be a violation of this Code. If any individual believes he/she is subject to retaliation for having made a report to Bank Leumi management about a concern, he/she should report the matter immediately to Human Resources.

Section 10.4: Investigations - Only Bank Leumi's Code Contacts have the authority to conduct an internal investigation relating to an actual or potential breach of this Code. All employees have a duty to cooperate fully with any internal investigation conducted by Bank Leumi. Such cooperation includes but is not limited to: (1) cooperating with an interview and being truthful and candid; and (2) maintaining any and all information and documents relevant to the investigation. Nothing in this Code prohibits or discourages any Bank Leumi employee from fully cooperating in any investigation conducted by law enforcement officials. Bank Leumi fully encourages all employees to fully cooperate in any such investigations, subject to all applicable rights and privileges. Bank Leumi employees who fail to cooperate with a Bank Leumi internal investigation or with an investigation conducted by law enforcement officials will be subject to discipline up to and including termination of employment.

Section 10.5: Reports To External Parties - In accordance with applicable laws and regulations, the Bank Leumi will determine whether a particular breach of the Code involves issues that trigger a reporting obligation to either law enforcement or any other third-party. Bank Leumi's General Counsel has the express authority to make a report on Bank Leumi's behalf to appropriate law enforcement or to an external governmental agency.

SECTION 11. WAIVERS – If any Bank Leumi employee believes a waiver of this Code of Ethics and Business Conduct is necessary or appropriate, a written explanation must be provided to any of the Code Contacts listed in Section 10 in advance of any action that otherwise is a breach of this Code. No waiver shall be deemed to have been granted unless the waiver is in writing and signed by any of the Code Contacts.

SECTION 12. ANNUAL AND NEW HIRE ACKNOWLEDGEMENT AND CERTIFICATION REQUIREMENTS – All Bank Leumi employees must certify at the point of hire and annually thereafter that they have received, reviewed and that they understand their responsibilities under the Code. (See attached certification forms).



BANK LEUMI USA

Report of a Violation of the Code of Ethics

Date: _____

Employee/Director Reporting the Violation

Name _____

Department _____

Telephone ext. _____ Mobile number _____

_____ Anonymous

Violation Details

Employee(s)/Director(s) being reported for a violation _____

Description of the incident (please provide a detailed description of the factual basis for the allegations.) _____

Submission of Report

_____ The CEO

_____ Director of Human Resources

_____ The General Counsel

_____ Department Manager

May 2009



Code of Ethics and Business Conduct Certification

Form 1

All Bank employees are required to sign this form upon initial employment and thereafter annually or whenever the Code is substantially revised.

By signing below I hereby certify and acknowledge that:

- 1) I have received and read Bank Leumi's Code of Ethics and Business Conduct version November 2009.
- 2) I fully understand my duty to comply with the Code.
- 3) I recognize that failure to comply with the provisions of the Code and uphold Bank Leumi's ethical principles may subject me to disciplinary action, up to and including termination of my employment.

Printed Name

Signature

Date



Annual Code of Ethics and Business Conduct Re-Certification

Form 2

All Bank employees are required to complete and sign this form annually. Please answer the following questions based on your activities in the previous calendar year. If you answer is “yes” to any question, please provide additional information on an attached separate sheet.

1. Did you join the Board of Directors of any company or organization?
2. Did you engage in any outside employment?
3. Did you fail to report any potential Code violations, about which you have any knowledge, to the appropriate individuals?
4. Did you obtain a financial interest in a competitor or any other organization?
5. Did you share any confidential information with a third party that was not on a “need to know” basis?
6. Did you participate or notice any fraudulent activity at Bank Leumi?
7. Did you have any criminal arrests or convictions in the previous calendar year¹?

I hereby certify and acknowledge that:

The answers provided above are true and correct.

I fully understand my duty to continue to comply with the Code.

I recognize that failure to comply with the provisions of the Code and uphold Bank Leumi’s ethical principles may subject me to appropriate disciplinary action, up to and including termination of my employment.

Signature

Date

¹ Bank Leumi does not automatically terminate employees for criminal arrests or convictions. Bank Leumi considers all mitigating circumstances when reviewing an employee’s criminal arrest or conviction.