

# **FEDERAL HOME LOAN BANK OF PITTSBURGH**

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## **CODE OF CONDUCT**

**OCTOBER 1, 2008**

## ETHICAL PRINCIPLES

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### **Employees are expected to:**

1. Maintain the highest standards of honesty and integrity at all times.
2. Comply with the laws and regulations pertaining to the Bank.
3. Avoid conflicts of interest, including even the appearance that their actions could create a conflict of interest.
4. Protect the confidential, personal and proprietary information of the Bank, members, counterparties, vendors and other employees.
5. Protect Bank property and use it for legitimate purposes only.
6. Deal fairly with the Bank's members, counterparties, vendors, competitors and other employees.
7. Accurately record, report and disclose information to meet financial reporting, regulatory and legal obligations.
8. Foster a safe, healthy and productive workplace.

## EMPLOYEE RESPONSIBILITIES

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Employees are accountable for maintaining the highest standards of ethics and professionalism, which includes adhering to the Bank's Code of Conduct ("Code"), as well as following the laws, regulations and policies related to the Bank. Employees are accountable not only for their actions, but also for the consequences of those actions.

The Code is not designed to anticipate every ethical dilemma that an employee may face during employment with the Bank. Employees are responsible for using the additional resources provided to them to address situations not explicitly laid out in the Code. Employees should refer to the *Ethics Online* area of *GuidePost*, consult with and seek advice from their managers or the Bank's Ethics Officer, and use the training made available to them to resolve ethical dilemmas.

Managers should demonstrate a commitment to the Code of Conduct by setting an example through their own conduct. Special efforts should be undertaken to maintain a workplace environment that encourages communication about and compliance with the Code. For example, managers should maintain an environment where employees are comfortable asking questions about and reporting potential violations. Managers also need to be pro-active in their support of the Code. If a manager knows that an employee plans to engage in an unethical behavior, he or she should act affirmatively to prevent the prohibited conduct.

All employees should recognize that failure to adhere to the Bank's standards of conduct could result in corrective action up to and including termination of employment. Employees should also recognize that they are required to bring to the attention of appropriate Bank personnel any known or perceived unethical or illegal conduct.

Any violation of the Code, even if well-intentioned or believed to be justified, will be dealt with promptly. Violations of the Code include, but are not limited to, violating the principles of the Code, failing to report a violation, condoning a violation by someone else, making a false report, failing to cooperate fully in an investigation of any violation and retaliating against another associate who reports in good faith a suspected violation.

The Bank requires all employees to acknowledge, on an annual basis, their understanding of and compliance with the Code of Conduct as well as to acknowledge their obligation to bring to the attention of appropriate Bank personnel any known or perceived unethical or illegal conduct.

## REPORTING ETHICS CONCERNS

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Employees should promptly report any violation or possible violation of the Code of Conduct to the Bank's Ethics Officer, to the Concerns Reporting Helpline via telephone at 866-297-0224 or via the Web through the *GuidePost* link or at [www.ethicspoint.com](http://www.ethicspoint.com).

The Bank encourages employees to first speak to the Bank's Ethics Officer to report unethical or illegal conduct. If the employee is uncomfortable speaking directly to the Ethics Officer or if the situation requires the employee to report the conduct anonymously, the employee should use the Concerns Reporting Helpline. The Helpline allows an employee to anonymously report any form of conduct of a questionable nature. It is intended to supplement, and not replace established reporting practices. For example, employee questions regarding compensation and job performance should continue to be addressed through current Human Resources processes.

The Bank is committed to reviewing any Helpline report in a prompt manner and taking corrective action when appropriate. Every affected employee is required to cooperate fully with any inquiry that results from any reported conduct.

The Bank is also committed to protecting the rights of those employees who report issues to the Ethics Officer or Concerns Reporting Helpline. The Bank will not retaliate against any employee who reports information in good faith concerning potential violations of the Code or law. This means that employees do not need to be right about their reporting, only that they told the truth as they knew it. Every manager has a responsibility to create a work environment in which employees can raise ethical and other concerns without fear of retribution. Any employee who believes that retaliation has occurred should inform the Ethics Officer promptly.

# ADMINISTRATION OF THE CODE

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## *Interpretation*

The provisions set forth in the Code of Conduct are intended to be interpreted and applied under a reasonableness standard. If you have any questions as to how a certain provision applies to a specific set of facts, contact the Ethics Officer for an opinion as to the application of the provision(s) in question.

## *Ethics Officer*

The Board of Directors of the Bank has appointed the Bank's General Counsel to serve as the Bank's Ethics Officer. The Ethics Officer is responsible for overseeing the administration and the interpretation of the Code and monitoring compliance with the Code.

## *Effective Date and Amendments*

This version of the Code of Conduct is effective October 1, 2008, and may be amended at any time at the discretion of the Bank.

## *Distribution and Verification of Receipt*

A copy of the Code of Conduct and any future amendments will be provided to each employee through *GuidePost*. Each employee is required, on an annual basis to verify receipt of, agree to comply with the requirements of, and agree to report violations of the Code of Conduct. Employees are also required to verify their compliance anytime an update is made to the Code of Conduct. Employees will be notified of changes to the Code via e-mail.

## *Directors and Affordable Housing Advisory Council Members*

The ethical principles set forth in the Code of Conduct are applicable to members of the Board of Directors and the Affordable Housing Advisory Council. At times, specific guidance is provided to these groups as to how a specific principle applies to them.

## *Consultants and Temporary Workers*

When the Bank hires outside consultants or temporary workers, these consultants and workers will be provided with copies of the Code by the hiring manager and informed that they are required to comply with its provisions with respect to their work for the Bank.

## *Stakeholder Access to Code*

The Code of Conduct is available for all Bank stakeholders' viewing on the Bank's public site, [www.fhlpgh.com](http://www.fhlpgh.com).

## *Waivers*

A waiver of any provision of the Code applicable to a Bank Director or Bank executive officer may only be granted by the Bank's Board of Directors. The Ethics Officer may grant waivers to non-executive officers.

# HONESTY AND INTEGRITY

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Employees are expected to maintain the highest standards of honesty and integrity at all times.

Today, major companies are closely scrutinized by governmental regulators, the public and the media. The Bank is subject to the same scrutiny, perhaps even more so given its status as a Government-Sponsored Enterprise. Only through strict adherence to high standards of ethical and professional conduct can the Bank continue to meet the expectations of its members, vendors, counterparties, regulators, employees, Congress and the public.

Ethical behavior on the job starts with honesty and integrity in interacting with all of the Bank's stakeholders -- members, counterparties, vendors, regulators, Congress, the community and employees.

Each and every employee should consistently adhere to the ethical principles set forth in the Code. The same principles apply regardless of the dilemma the employee faces. The principles that guide employee conduct also do not vary depending on the stakeholder with whom the employee is dealing.

## *Employee to all stakeholders*

Honesty in communications means that employees should always express the truth as best as they know it and not convey it in a way likely to mislead or deceive. Employees should be truthful in presenting the facts to the best of their knowledge. Employees should avoid out-of-context statements or leaving an impression with a stakeholder that is misleading.

Complete candor should also be the norm. Employees should be forthright, volunteering the information that the member, vendor or counterparty needs to know to be fully informed when entering into a business transaction with the Bank. The same applies to all communications with the Bank's regulators.

## *Employee to Bank*

Employees are required to comply with Bank travel expense procedures. When on Bank business, employees should use good judgment, should keep business expenses reasonable and request reimbursement only for needed business-related expenses. Submission of accounts for meals not eaten, tickets not used, nor for any expense not actually incurred is dishonest reporting. Employees should report all expenses for their manager's review and approval promptly and accurately.

Employees should also accurately and promptly record their attendance in the Bank's online Time & Attendance module.

Managers should make sure that employee expense reports and time reports are promptly and accurately recorded.

In general, employees are explicitly advised that they should not steal, misappropriate or misuse Bank assets or resources.

# COMPLIANCE WITH THE LAW

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Employees are expected to comply with the laws and regulations pertaining to the Bank.

Employees should respect and comply with all laws, rules, regulations, policies, guidelines and procedures applicable to the Bank. Employees are expected to obey the spirit, as well as the letter, of all laws and regulations in every area in which the Bank does business. In particular, all employees should be knowledgeable of the laws, regulations and policies of the Federal Housing Finance Agency and the Securities and Exchange Commission (SEC) that relate to their job responsibilities. If an employee has questions about a specific law or regulation that applies to their job responsibilities, he or she should seek the advice of the Legal Department.

## *Employee to the Bank*

### *Securities Laws*

Employees should not use non-public information regarding our members for the purchasing and selling of their securities. Employees should also not disclose such non-public information to persons outside the Bank who might use the information for purchasing or selling securities. The Bank's Securities Trading Policy is attached to the Code as Exhibit B. Employees should consult the policy for specific guidance.

### *Copyright Laws*

Creating unauthorized copies of copyrighted material may result in violations subject to civil and/or criminal penalties. Although copyright infringement most often involves the unauthorized copying of publications or other print media, it also can extend to unauthorized use of photographs and graphic displays or designs. In addition, computer software is copyrighted. It is sold subject to license agreements and is restricted in its use. Employees cannot copy software or use it on a different computer unless the license agreement so permits.

## *Employee to Employee*

### *Employment Laws*

Discrimination and harassment are serious violations of state and federal laws and of Bank policy. In interviewing job applicants, employees should not ask specific questions that do not relate to the individual's ability to perform the job, such as asking questions about his or her age, marital status and/or child-rearing responsibilities. Employees should focus hiring and other employment decisions on the merits of a candidate's qualifications.

The Bank is committed to providing all employees with the same opportunities for success, no matter their race, color, religion, national origin, age, sex, disability or any other non-job-related factor. Employees are expected to comply with all other federal, state and local employment laws that apply to the Bank. The Bank provides reasonable accommodation to disabled applicants and employees to enable them to apply for and to perform the essential functions of their jobs. Employees should attend Bank-sponsored training and seek the advice of the Human Resources or Legal Department when necessary.

*Employee to members*

*Anti-trust laws*

The Bank's most important relationship is with its members. Employees should never agree with their counterparts at other Banks or competitors about what future prices or levels of rates should be appropriate in the marketplace.

*Employee to vendor and counterparty*

Under no circumstances should an employee accept any bribes or kickbacks from vendors, counterparties or anyone wanting to do business with the Bank.

*Employee to government*

When dealing with government officials, employees must be sensitive to the rules that govern a government official's receipt of gifts and entertainment. Executive Branch employees are bound to the rules issued by the U.S. Office of Government Ethics. Likewise, Legislative Branch employees (Capitol Hill staff and members of Congress) are subject to their own rules of ethics. Accordingly, under no circumstances may an employee pay or offer anything of value to a government official, including political parties or candidates for public office, for the purpose of influencing or rewarding the official for his or her actions.

Generally, federal laws prevent the Bank from using Bank funds to make political contributions. However, federal law does permit corporations to sponsor PACs, which are funded by voluntary contributions from eligible employees, for the purpose of making political contributions. Employees should seek the advice of the Legal Department if they have any questions regarding the rules applicable to political contributions.

# CONFLICTS OF INTEREST

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Employees are expected to avoid conflicts of interest, including even the appearance that their actions could create a conflict of interest.

Employees are responsible for safeguarding the integrity of the Bank's business decisions by ensuring that their decisions are made solely on the basis of what is best for the Bank, and that personal interests do not improperly influence them. Conflicts of interest arise in any situation where there is a potential for divided loyalties between an employee's personal interests and an employee's obligation to the Bank. While an activity that is an actual conflict of interest is never acceptable, employees should also avoid activities that involve even the appearance of such a conflict.

## *Employee to Bank*

Employee conduct both on and off the job reflects on the Bank, particularly if employees conduct themselves in such a way that damages the reputation of the Bank, negatively affects their performance on the job or creates conflicts of interest. Employees should be conscious of outside activities that could constitute a conflict with the Bank's business concerns. For example, employees should not work for member institutions or companies that market products or services in competition with the Bank.

Although the Bank permits employees to keep frequent flyer points earned while on Bank business, no airline carrier or other vendor should be used simply to garner "frequent flyer points" if another, more cost-effective alternative is available.

## *Employee to employee*

Employees should be aware that the establishment of romantic relationships with other Bank employees can create a potential conflict of interest. Employees should always inform their manager when a relationship becomes serious so that a conflict of interest can be avoided. In no case should any manager date a subordinate because of the appearance of a conflict of interest.

The Bank recognizes that appropriate gifts exchanged between employees to recognize special occasions or accomplishments can encourage camaraderie. However, any gifts that have the appearance or that could have the effect of influencing workplace decisions are prohibited.

Employees should give no special consideration to the conditions of employment of another employee due to family or personal relationships. All personnel decisions must be based on sound management practices and not influenced by personal concerns.

## *Employee to member*

Employees should pay special attention to potential conflicts with respect to members. First, employees are advised that the best remedy for a conflict of interest is to avoid the conflict altogether. For example, an employee cannot serve as a director of a member institution. Employees should also avoid having a financial interest (stock or debt, but excluding deposits) in a member institution, as the Bank's access to non-public information would create the appearance of a conflict of interest.

However, sometimes the apparent conflict is unavoidable. Circumstances in which a conflict is unavoidable would include an employee's financial interest in a member resulting from a previous or spousal employment relationship with the member. It could also result from an action that does not involve a traditional investment decision. This would include a financial interest arising through 401(k) savings plans, employee stock ownership plans or ownership of shares of other investment units of one or more diversified mutual funds [as defined in section 5(a) and (b)(1) of the Investment Company Act of 1940, as

amended, 15 U.S.C. 80a-5(a), (b)(1)] that have invested in the member, so long as the employee does not contribute to investment decisions of the fund. To the extent that ownership or control of the financial interest was acquired prior to commencement of Bank employment, through a change in marital status, or through circumstances beyond the employee's control (such as inheritance, gift, merger or acquisition), an employee must make full, written disclosure to the Bank's Ethics Officer within 30 days of beginning employment or acquiring the financial interest. Beyond this disclosure, the employees may be required to divest themselves of the stock. Or, alternatively, they may be asked to recuse themselves from decision making on that member, and may also be restricted access to examination reports or other confidential information that concerns the member.

Employees should never seek or accept preferential treatment when doing business as a customer of a member. For example, an employee should never request or accept a discounted interest rate on a loan.

#### *Employee to counterparty and vendor*

The Bank recognizes that it is sometimes the custom for vendors and counterparties seeking to do business or maintain business relationships with the Bank to offer business courtesies to Bank employees. Business courtesies may include, but are not limited to, such items as gifts (boxes of chocolates, fruit baskets, tickets to sporting events not accompanied by the provider of tickets, etc.) and entertainment (meals, drinks, round of golf, attendance at a sporting event, transportation, accommodations, etc.).

#### *Gifts*

De minimis value promotional items such as a sleeve of golf balls, pens, pocket calendars and tee-shirts are appropriate to accept when generally made available to all attendees of a conference or other event. Employees may treat an item valued at \$25 or less to be of de minimis value.

There are times when gifts with a value greater than \$25 are made available to all participants at an event, such as a duffle bag, business portfolio, golf shirt, etc. It is permissible for an employee to accept such an item if it is made available to all participants (or won as part of a raffle or skill prize) and the event is widely attended. Gifts made available at events that are not widely attended, or gifts of excessive value, such as crystal or jewelry, may not be appropriate.

Employees should generally not accept gifts with an aggregate value greater than \$100 from the same source in any calendar year. In the event it is impractical to return a gift to the source, such as a holiday fruit basket or other perishables, then such gift should be shared with the Bank.

All gifts accepted by an employee above a de minimis value must be reported to the Bank's Ethics Officer via the Receipt of Business Courtesy form in the Lotus Notes Forms Database.

Employees should never solicit a gift from any third party. Cash or cash equivalents may never be accepted from any third party.

#### *Entertainment*

Employees should strive to develop a "business partner" relationship with Bank vendors and counterparties, as opposed to a "seller-buyer" relationship. To this end, employees should generally attempt to pay their own share of any expense incurred when discussing business or building relationships with a vendor, counterparty or other party wanting to do business with the Bank. Employees can either pay their share of the expenses at the time they are incurred, reimburse the provider after the event, or pay the expenses of the other party at the next event. In circumstances where it would impose a significant burden on, or would embarrass or offend the provider of the entertainment (including business meals) if the employee sought to pay his or her own share, then employees may accept the entertainment if: 1) it and all other business courtesies are accepted from the same source infrequently, 2) Bank business is being discussed or it is

important to maintaining or building a business relationship and 3) it is of a nature that is reasonable and customary in business with due consideration to the appearance and the Bank's role as a GSE.

Travel to and attendance at events where tickets are either sold-out or hard to get (the US Tennis Open, The Masters, sold-out rock concerts, etc.) is inappropriate entertainment unless exceptional circumstances are present.

Employees are sometimes invited to a conference sponsored by a vendor or counterparty. If an employee, with the consent of his or her manager, determines that attending the conference is in the best interest of the Bank, the employee should generally pay for all travel, accommodations, recreation, meals and other expenses associated with the conference or similar event. The employee and manager should give due consideration to the appearance issue when deciding whether to attend the event, even if the Bank is paying the expenses of the employee.

It is recognized that there are circumstances when it is not practical for an employee to identify his or her share of expenses associated with a business meal or part of a conference, such as a group dinner where it is widely attended. In such circumstances, the employee may accept the business courtesy if it is reasonable and appropriate for the circumstances.

There are times when a number of employees are invited to the same function sponsored by a vendor, counterparty or other third party, such as a dinner or sporting event. Managers should ensure that the number of employees from the Bank who attend such a common event are reasonable and appropriate under the circumstances, with due consideration to the appearance of the Bank's judgment being compromised by the volume of such entertainment. When multiple employees are attending the same event, it is even more important that the Bank pay for its share of the expenses.

In certain circumstances, business courtesies from the Bank's counterparties, members and vendors can raise serious ethical and legal questions that could embarrass the employee and the Bank. Business courtesies of a type that would be potentially embarrassing to the Bank or offensive or dangerous to any participants are not acceptable. For example, entertainment in an "adult entertainment" club is always inappropriate. Asking either directly or indirectly for a business courtesy is not acceptable in any case. Neither is accepting cash or cash equivalents as a business courtesy.

Employees should follow the guidance set forth in the Bank's *Travel and Entertainment Policy* when conducting entertainment. Entertainment provided by Bank employees should never be excessive, extravagant or potentially embarrassing to the Bank as explained above. Employees should not provide entertainment or gifts to any stakeholder if the employee has reason to believe that such stakeholder is not complying with his or her obligation under their ethics rules.

Employees should not have a personal financial interest in a counterparty or vendor that the Bank does business with if that interest might cause them to have an actual or apparent conflict of interest. Employees also should not use their position to solicit counterparties or vendors to provide preferential personal treatment. If an employee finds himself or herself in a situation where his or her spouse is employed by a vendor or counterparty that the Bank may contract for a service, the employee should be extra sensitive to a possible conflict of interest. They should disclose the relationship to the Bank's Ethics Officer and may be advised to abstain from any decision-making responsibilities regarding that vendor or counterparty. An employee also should not accept any special discounts or privileges from a vendor which are not available as part of a wider discount program that such vendor offers to its customers.

#### *Employee to community*

Employees should be aware that accepting or seeking a seat on a board of a community organization that routinely applies for Community Investment Department funding is a potential conflict of interest. The

employee should abstain from participating in decisions at the Bank involving this community group. Also, if the group engages in discussions with or becomes an adversary of the Bank on a particular issue, the employee should abstain from any involvement in that particular issue or resign from the board altogether. At the very least, the employee should make clear that in terms of his or her service on the board, he or she does not represent the Bank in any capacity.

### *Directors*

The Directors of the Bank should administer the affairs of the Bank fairly and impartially without discrimination in favor of or against any member.

Independent Directors cannot serve as an officer or director of any other Federal Home Loan Bank or as an officer, director or employee of any member of a Federal Home Loan Bank, or any person that receives advances from a Federal Home Loan Bank

A Director should not use his or her official position as a Director for personal gain.

A Director should promptly disclose to the Board of Directors, at the next regularly scheduled meeting (or if appropriate, the Board comprised of disinterested directors), any actual or apparent conflict of interest. Such disclosure should be made before the Board takes action on the matter. Any Director questions regarding director qualifications, disclosures, or possible conflicts (whether direct or indirect) should be made to the Bank's General Counsel.

For any matter to be considered by the Board of Directors in which another person or entity does, or proposes to do business with the Bank, a Director should disclose to the Board of Directors any personal financial interest that he or she has in the matter being considered, as well as any financial interest known to the Director of any immediate family member or business associate of the Director. A Director should fully disclose the nature of his or her interest in the matter, and should provide to the Board of Directors any information requested to aid in its consideration of the Director's interest. A Director should refrain from considering or voting on any issue in which the Director, any immediate family member or any business associate has a financial interest.

Directors should not disclose or use confidential information received by them solely by reasons of their position with the Bank to obtain a financial interest for themselves or for any other person.

Directors should not accept, and should discourage their immediate family members from accepting any gift if the Director has reason to believe that the gift is given in order to influence the Director's actions as a member of the Bank's Board of Directors, or if acceptance of such gift gives the appearance of influencing the Director's actions as a member of the Board.

Directors should not accept compensation for services performed for the Bank from any source other than the Bank for which the services are performed.

The Board of Directors should not give preferential treatment to any elected Director's institution in the selection of member institutions for pilot programs.

# CONFIDENTIAL INFORMATION

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Employees are expected to protect the confidential, personal and proprietary information of the Bank, members, counterparties, vendors and other employees.

Information must be properly managed to ensure that it is used for authorized business purposes, accessed by those that have a business need, and adequately protected. Employees should consider any information that concerns the Bank or its members, employees, counterparties or vendors that is not generally available to others to be confidential. The improper disclosure or unauthorized use of confidential information could have a great impact on the Bank's relationships with these stakeholders.

All employees have an obligation to maintain the confidentiality of Bank information. Employees should take all reasonable measures to protect the confidentiality of non-public information about the Bank and its stakeholders obtained or created in connection with their activities. Employees should also undertake efforts to prevent unauthorized disclosure of such information, unless required by applicable law or regulatory process. Confidential information includes, but is not limited to, member examination reports, underwriting information, financial information about the Bank itself, Bank security and auditing procedures, Bank personnel information, technical data, planned new services and products, and other non-public information of the Bank.

## *Employee to employee*

The Bank respects the privacy of every employee and only collects and retains employee personal information that is required for effective operation of the Bank, or that is required by law. To help protect employees' personal information, the Bank prohibits employees from accessing personnel information or communications between employees unless they have a legitimate business purpose to do so. Employees who are entrusted with personal employee information should make sure it is not disclosed inappropriately or misused. Such information should be stored in restricted access facilities and access should be monitored and controlled. Employees should not search or take items from an employee's workspace (i.e., desk, inbox, and drawers) unless they have a legitimate business purpose. Employees also should not ask for or use someone else's user identification or network password without his or her express permission. Information Technology personnel may access an employee's e-mail account only for Bank business.

## *Employee to Bank*

If an employee comes across information believed to be confidential, that employee should personally return it to the department head to which it belongs. For example, if an employee was to find a memo addressed to the Board of Directors in an Office Services center, the employee should return it to the author. Employees should be conscious of conversations in public places and the information that might inadvertently be disclosed in these conversations. Employees also need to guard against disclosing confidential information in talks with family and friends.

All media inquiries should be referred to the Bank's Communications Department, and all legal inquiries should be referred to the Bank's Legal Department. Employees should not distribute any information posted on *GuidePost* or sent via e-mail to a non-employee.

Because of the potentially sensitive nature of Bank documents, employees terminating employment with the Bank should not take any documents belonging to the Bank unless their managers have reviewed and approved the removal.

## *Employee to vendor, counterparty and member*

Just as the Bank closely guards its own confidential information, employees should respect the confidentiality rights of others. To help protect the Bank's relationships, employees should exercise

discretion when dealing with confidential member information. In promoting Bank products, employees should not disclose how or why a member uses a Bank product, which might reveal that member's business strategies, without the member's previous permission. Similarly, in conducting business with counterparties, employees should not reveal the pricing or modeling arrangements of other counterparties with whom the Bank conducts business. In conducting business with vendors, employees should not divulge other vendor's bids or pricing for projects.

## PROTECTION OF BANK PROPERTY

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Employees are expected to protect Bank property and use it for legitimate purposes only.

Every employee has a responsibility to protect the Bank's assets and ensure their efficient use. The Bank's property includes physical property (office supplies, copiers, computers, etc.) and intellectual property (Bank's logo, copyrights, trademarks, etc.), as well as the information described under the section "Confidential Information." The Bank's property may be used only for legitimate purposes. Any improper use of the Bank's property, whether for personal or business purposes, is prohibited and may be unlawful.

Bank property, such as computers, telephones and cell phones, facsimile machines and copy machines are meant for Bank business. The Bank allows limited personal use of these items, as long as use meets the following criteria:

- Limited to occasional use;
- Does not result in excessive costs;
- Does not interfere with work duties;
- Complies with policies and laws;
- Is not related to the conduct of an outside business;
- Is not to conduct activities of any religious, political or outside organization that is not a Bank-sponsored or endorsed charity; and,
- Would not cause embarrassment to the Bank.

The Bank's corporate identity, logo and trademarks are also valuable business properties that may get destroyed or diluted by improper use. Employees should not improperly use the Bank's logo or identity to give the impression that a personal employee project is approved or sponsored by the Bank. Employees also should not commit to advertising on behalf of the Bank, with a trade group, without express permission from the Communications Department.

## FAIR DEALING

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Employees are expected to deal fairly with the Bank's members, counterparties, vendors, competitors and other employees.

The Bank's ethical standards require fair dealing in all transactions and dealings with stakeholders. The Bank relies on these standards to gain the trust of members and other stakeholders. Employees are expected to communicate with candor and to endeavor to deal fairly with the Bank's members, counterparties, vendors and other employees. No employee may take unfair advantage of another employee or other stakeholders through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practices. In short, employees should do what they say they will do, and must communicate honestly and ethically in serving the Bank's members and conducting business with others.

### *Employee to employee*

All employees are expected to be fair and impartial in their dealings with other employees. Managers should handle similar matters between different employees consistently. Employees, particularly managers, should adhere to a balanced standard of fairness, making decisions without favoritism or prejudice.

### *Employee to member, vendor and counterparty*

Employees should avoid making misrepresentations, accidental or otherwise, to the Bank's stakeholders. If an employee believes a business contact may have misunderstood him or her, the employee should promptly correct any misunderstanding. Employees should never counsel members or counterparties to breach a contract with another company in order to do business with the Bank.

When conducting business with vendors and counterparties, employees should weigh all facts impartially in vendor or counterparty selection. Employees should never exert, or attempt to exert influence within the Bank to obtain special treatment for a particular vendor based on personal reasons. Employees also should promptly pay proper invoices issued by vendors.

Employees, Directors and members of the Affordable Housing Advisory Council should not defame or disparage the Bank, its Board, management, customers or competitors.

### *Employee to community*

All members and community organizations should have fair and equal access to the Bank's community investment cash advance programs (CICA). No employee, Director or member of the Affordable Housing Advisory Council should interfere with this access by attempting to influence Bank staff in its evaluation and approval of program applications, by lobbying against competing projects, or by using the Bank's information about the Bank's CICA programs, that is generally unavailable to other institutions submitting applications, in order to provide an organization with additional technical assistance in completing its application. Employees, Directors and members of the Affordable Housing Advisory Council should, to the extent practical, not participate, either directly or indirectly, in negotiating subsidy, monitoring, recapture or other agreements between the Bank and the member or between the member and the project/organization on behalf of a member or the project/organization.

## TRANSPARENCY AND BANK RECORDS

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Employees are expected to accurately record, report and disclose information to meet financial reporting, regulatory and legal obligations.

The integrity of the Bank's financial records is vital to the operation of its business. These records are crucial to maintaining the confidence and trust of the Federal Housing Finance Agency and the Securities and Exchange Commission, and also of employees, members and other stakeholders. All transactions must be properly recorded in accordance with the law and Bank policy.

### *Employee to Bank*

Employees should adhere to the policies of the Bank to protect and maintain all documents and records required. All documents received from outside of the Bank, including checks, bank drafts or other financial documents should be handled with complete integrity. Employees should make sure that their own document retention schedules meet the requirements established in the Bank's retention policy and that they are retained for the proper amount of time.

### *Employee to shareholders and stakeholders*

All Bank employees have a responsibility, and finance and accounting personnel have a special responsibility, to ensure that finance and accounting practices support the full, fair, accurate, timely and understandable disclosure of the Bank's financial results and condition to the Office of Finance, the Federal Housing Finance Agency and the Securities and Exchange Commission. Employees should strive to make sure that financial reporting is not only honest and accurate but also understandable. Whenever possible, such reporting should be in language that is clear, understandable and not overly complex. Employees should strive for full transparency in these communications. Employees should make sure that accounting, operational and disclosure controls and procedures are in place, understood and followed.

## SAFE WORK ENVIRONMENT

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Employees are expected to foster a safe, healthy and productive workplace.

The Bank does not tolerate behavior, comments, e-mail messages or other conduct that creates, encourages or permits an intimidating or offensive environment. Slurs, remarks, jokes, pictures or any other conduct that encourage or foster an offensive work environment are not allowed and may lead to corrective action up to and including termination of employment.

Employees may not purchase, use, possess, sell or distribute illegal drugs (including misused prescription drugs) or alcoholic beverages (except when served at a Bank-sponsored event) while on the job or on Bank property. Off-the-job illegal drug use and/or alcohol abuse that adversely affects an employee's job performance, attendance, or conduct or that jeopardizes the safety of others engaged in Bank-related activities also is prohibited.

Employees are not permitted to participate in any illegal gambling activity, including operating gambling devices, unlawful lotteries, pools, games for money or property, numbers, tickets or similar illegal activities, while on Bank premises or while on Bank business. Activities legally administered by the Employee Activities Committee or otherwise by the Bank are permitted. See the Legal Department for advice.

Employees are also not permitted to bring a firearm or other dangerous weapons of any kind on Bank premises.

# BANK POLICIES

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All management policies can be found at <http://guidepost/Compliance/Policies/Policies.htm#Mgmt>.

# EXHIBIT A

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## Federal Home Loan Bank of Pittsburgh Fraud Policy

The Bank recognizes the importance of protecting the organization, its operations, employees and shareholders against financial risks, operational breaches and unethical activities. As such, the Bank has a zero tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and investigated promptly in a systematic and thorough manner.

Fraud is the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each business unit of the Bank faces different types of potential improprieties. Although absolute assurance of detecting and preventing fraud is not possible, employees should be familiar with the improprieties that are more likely to occur in their business areas and should be alert for indications of irregularity.

All employees are required to report immediately to the Ethics Officer any fraud that is detected or suspected. The Ethics Officer will bring the matter immediately to the attention of the Director of Internal Audit. The ensuing investigation will be coordinated with the affected areas, both internal and external. If a subsequent investigation confirms that fraud has occurred, the Ethics Officer will notify the Board of Directors, through the Audit Committee. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

If an employee has a question as to whether an action constitutes fraud, he or she should contact the Ethics Officer either directly (via e-mail, phone or in person) or anonymously (via the EthicsPoint helpline).

The most significant actions that constitute fraud are outlined below. Each of these actions has been addressed in the Code of Conduct. As such, a cross-reference to the specific area of the Code where the action has been addressed is also provided.

- Dishonest or fraudulent acts  
*Code reference: Honesty and Integrity, page 6*
- Forgery or alteration of any document or account belonging to the Bank
- Forgery or alteration of a check, bank draft or any other financial document
- Impropriety in the handling or reporting of money or financial transactions  
*Code reference: Transparency and Bank Records, page 17*
- Misappropriation of funds, securities, supplies or other assets
- Destruction, removal or inappropriate use of records, furniture, fixtures and equipment  
*Code reference: Protection of Bank Property, page 15*
- Profiteering as a result of insider knowledge of Bank activities
- Disclosing to other persons securities activities engaged in or contemplated by the Bank  
*Code reference: Securities Laws/Compliance with the Law, page 7*
- Disclosing confidential and proprietary information to outside parties  
*Code Reference: Securities Laws/Compliance with the Law, page 7*  
*Code Reference: Confidential Information, page 13-14*
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Bank, Exception: Gifts less than \$25 in value  
*Code Reference: Conflicts of Interest, page 9-11*

# EXHIBIT B

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## Securities Trading Policy

### I. The Need For a Policy Statement

Federal securities laws make it illegal for any director, officer or employee of the Bank to buy or sell the Bank's securities at a time when that person possesses "material non-public information relating" to the Bank. This conduct is known as "insider trading." Passing such material non-public information on to someone else who may buy or sell securities – which is known as "tipping" – is also illegal. These prohibitions apply to the capital stock of the Bank, the debt securities issued by the Bank System and any other securities eventually issued by the Bank. The prohibitions also apply to securities of member institutions or other companies if the director, officer or employee learns something in the course of his or her duties that may affect the value of those securities.

The Bank is adopting this Policy Statement to avoid even the appearance of improper conduct on the part of anyone employed by or associated with the Bank.

### II. The Consequences

The consequences of insider trading violations can be staggering:

For individuals who trade on inside information (or disclose inside information to others who trade):

- Disgorgement of any profit gained or loss avoided;
- A civil penalty (in addition to disgorgement) of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$5 million; and
- A jail term of up to 20 years.

For the Bank (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- A civil penalty of the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$25 million.

For a director, officer or employee who violates this Bank Policy Statement, Bank-imposed sanctions, including dismissal for cause, could result.

Any of the above consequences, even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

### III. Bank Policy on Insider Trading

- A. *Restrictions on Trading.* If a director, officer or any employee has material non-public information relating to the Bank, it is the Bank's policy that neither that person nor any related person may (1) buy or sell securities of the Bank or engage in any other action to take advantage of that information or (2) communicate that information to other persons not having a need to know the information for legitimate, Bank-related reasons. This policy also applies to information obtained in the course of employment relating to any member institution, counterparty, vendor or other company.

Even transactions that may be motivated by or justified on independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve the Bank's reputation for adhering to the highest standards of conduct.

- B. *Material Information Defined.* Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell a security.

*Examples.* Common examples of information that will frequently be regarded as material are: unpublished financial results; non-public projections of future earnings or losses; news of a significant sale of assets; changes in dividend policies; changes in management; significant new products; impending financial liquidity problems; and the gain or loss of a substantial customer or counterparty. This list is merely illustrative. Either positive or negative information may be material.

- C. *Twenty-Twenty Hindsight.* Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.
- D. *Transactions By a Director's Institution.* The restrictions set forth in paragraph III. A. above apply to the member institution(s) where a director serves as an officer or director. Directors should not discuss material non-public information with the individuals at their institution(s) who make decisions or execute transactions involving either the capital stock of the Bank, the debt issued by the Bank System or the securities of other member institutions. Directors are responsible for the compliance of their institution.
- E. *Transactions By Family Members.* Although family members cannot own Bank capital stock, they can own Bank debt securities. The restrictions set forth in paragraph III. A. above apply to your family members and others living in your household. Directors, officers and employees are expected to be responsible for the compliance of their immediate family members and others in your personal household. Directors, officers and employees should not discuss material non-public information with family or household members. To avoid the appearance of impropriety, during times when directors, officers and employees are in possession of material non-public information, family and household members should be prevented from trading without revealing the information you possess.
- F. *Disclosing Information to Others.* Whether the information is proprietary information about the Bank or information that could have an impact on the desire to buy, hold or sell Bank stock or debt securities, you must not pass the information on to others (including other persons within the Bank, family members, friends or employees of a director's member institution, etc.) unless the person has a need to know the information for legitimate Bank-related reasons. You should also not discuss such information in public places where it can be overheard, such as elevators, restaurants, taxis and airplanes. A director, officer or employee who improperly reveals material inside information to another person can be held liable for the trading activities of his or her "tippee" and any other person with whom the tippee shares the information. The above penalties apply whether or not you benefit financially from such trades and whether or not you knew or intended that another person would trade Bank stock or debt security on the basis of the information revealed. In order to avoid even the appearance of impropriety, it is recommended that directors, officers and employees refrain from providing advice or making recommendations regarding the purchase or sale of the Bank's stock or debt securities, whether or not you are then in possession of material non-public information.
- G. *Trading in Securities of Members.* The penalties for insider trading and the Bank's insider trading policy apply equally to material non-public information concerning member institutions. The Bank routinely is in possession of non-public information related to its member institutions. Officers and employees are prohibited from trading in the securities of member institutions. Directors and their member institution must refrain from trading securities of a member institution while the director is in possession of material non-public information concerning it, and the director must not disclose such information to others unless the person has a need to know the information for legitimate, Bank-related reasons.
- H. *Trading in Securities of Vendors and Counterparties.* The penalties for insider trading and the Bank's insider trading policy apply equally to material non-public information concerning vendors, counterparties, and other companies obtained through your employment or association with the Bank. Directors, officers and employees must refrain from trading securities of another company while in possession of such

material non-public information concerning it, and you must not disclose such information to others unless the person has a need to know the information for legitimate, Bank-related reasons.

- I. *When Information Is Public.* If you are in possession of material information which has not previously been made public, it is also improper for you to enter a trade immediately after the Bank has made a public announcement of the information. Before entering into a trade, the Bank's shareholders and the investing public must be afforded sufficient time to receive the information and act upon it. Although the amount of time you must wait varies with the type and complexity of the information released, a good general rule is to wait until the third business day following the Bank's public release of the information before engaging in a trade.

#### **IV. Trading Blackout**

In order to avoid even the appearance of improper trading, it is the policy of the Bank that no member institution associated with a director may buy shares of stock of the Bank not needed to support an activity with the Bank or request the repurchase of any excess shares of the Bank's common stock during a blackout period established by the Bank. Blackout periods will be established from time to time when material non-public information is shared with the Board and they will stay in effect until the third day following the date that information is made public.

#### **V. Pre-Notification Requirement for Directors and Officers**

To avoid even the appearance of an improper transaction, a director, officer or employee (this does not apply to a member institution associated with a director) must notify the Bank's General Counsel and Corporate Secretary prior to any acquisition or disposition of the Bank's debt securities.

#### **VI. Certification**

You will be required to certify that you understand and will comply with this Policy Statement. Also, annually you will be required to certify that you have complied with this Policy Statement during the preceding year. Failure to comply with this Policy Statement may be grounds for your dismissal from employment for cause or, if you are director, your removal from the Board.

#### **VII. Bank Assistance**

Any person who has any questions about specific transactions or general questions about this Policy Statement may obtain additional guidance from the Bank's General Counsel and Corporate Secretary. Remember, however, the ultimate responsibility for adhering to this Policy Statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.