

Code of Business Conduct and Ethics

Fly Leasing Limited

As of: March 10, 2015

Fly Leasing Limited

Code of Business Conduct and Ethics

1. Background

This Code of Business Conduct and Ethics (the “Code”) is designed to promote honest, ethical and lawful conduct by all employees, officers and directors of Fly Leasing Limited, all subsidiaries and entities controlled by it, and Fly Leasing Management Co. Limited (collectively, the “Company”). The Code is intended to help employees, officers and directors understand the Company’s standards of ethical business practices and to stimulate awareness of ethical and legal issues that may be encountered in carrying out their responsibilities.

The actions of every employee, officer and director affect the reputation and integrity of the Company. Therefore, it is essential that each take the time to review this Code and develop a working knowledge of its provisions. In particular, all employees, officers and directors are expected at all times to:

- Avoid conflicts between personal and professional interests where possible;
- Act with integrity, including being honest and candid while maintaining the confidentiality of information where required or consistent with the Company’s policies;
- Pursue the ethical handling of actual or apparent conflicts of interest when conflicts or appearance of conflicts are unavoidable, including through full disclosure (to a responsible supervisor, the Company’s Chief Executive Officer (the “CEO”) or other appropriate internal authority) of any transaction or relationship that reasonably could be expected to give rise to a conflict;
- Provide full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Company with regulators and in other public communications made by the Company;
- Comply with applicable governmental rules and regulations, accounting standards and Company policies;
- Promptly report (to a responsible supervisor, the Company’s CEO or other appropriate internal authority) any violations of this Code; and
- Be accountable personally for adherence to this Code.

Note that the CEO, Chief Financial Officer (the “CFO”) and other senior financial officers are also subject to the “Supplemental Code of Business Conduct and Ethics for

the CEO, CFO and other Senior Financial Officers.”

It is difficult to anticipate every decision or action that an employee, officer or director of the Company may face or consider. **Whenever there is doubt about the right ethical or legal choice to make, fully disclose the circumstances, seek guidance about the right thing to do, and keep asking until guidance is obtained.** An employee should make full disclosure to, and seek guidance from, the employee’s supervisor in the first instance. The Company’s CEO or – in instances involving accounting practices, internal controls or audits — the Audit Committee are also avenues to consider.

Those who violate the standards in this Code will be subject to disciplinary action. If you are in a situation that you believe may involve or lead to a violation of this Code, you have an affirmative duty to disclose to, and seek guidance from a responsible supervisor, the Company’s CEO or other appropriate internal authority. Failure to follow this Code, as well as to comply with federal, state, local and any applicable foreign laws, and the Company’s corporate policies and procedures may result in termination of employment or termination of board service.

It is the Company’s policy to encourage the communication of bona fide concerns relating to the lawful and ethical conduct of business, and audit and accounting procedures or related matters. It is also the policy of the Company to protect those who communicate bona fide concerns from any retaliation for such reporting. Confidential and anonymous mechanisms for reporting concerns are available and are described in this Code. However, anonymous reporting does not serve to satisfy a duty to disclose your potential involvement in a conflict of interest or in unethical or illegal conduct.

2. Conflicts of Interest

A “conflict of interest” occurs when an employee, officer or director of the Company has a private interest which is adverse to, or may appear to be adverse to, the Company’s interests. The Company expects all employees, officers and directors to exercise good judgment and the highest ethical standards in their activities on behalf of the Company as well as in their private activities outside the Company. Particular care should be taken to ensure that no detriment to the interests of the Company (or appearance of such detriment) may result from a conflict between those interests and any personal or business interests which an individual employee, officer or director may have. In particular, every employee, officer and director has an obligation to avoid -- or, if avoidance is not feasible, disclose in accordance with Section 2.4 of this Code -- any activity, agreement, business investment or interest or other situation that might in fact or in appearance cause the individual to place his or her own interests, or those of another, above his or her obligation to the Company. Care should be taken about the appearance of a conflict since such appearance might impair confidence in, or the reputation of, the Company even if there is no actual conflict and no wrongdoing.

While it is not possible to describe or anticipate all the circumstances and situations that might involve a conflict of interest, a conflict of interest can arise whenever an employee,

officer or director takes action or has interests that may make it difficult to perform his or her work objectively or effectively or when they (or a member of their family) receive improper personal benefits as a result of their position in the Company. Conflicts may arise where an employee, officer or director, or member of his or her family:

- Has a financial interest in the Company's competitors, customers, suppliers or others dealing with the Company (excluding interests that are less than 1% of the outstanding securities of a publicly-traded corporation);
- Is indebted to a competitor or supplier of goods or services to the Company, other than banks or other financial institutions for typical consumer debt generally available to non-Company employees;
- Has a consulting, managerial or employment relationship in any capacity with, or is a board member of, a competitor, customer, supplier or others dealing with the Company; or
- Acquires, directly or indirectly, real property, leaseholds, patents or other property or rights in which the Company has, or the employee, officer or director knows or has reason to believe at the time of acquisition that the Company is likely to have, an interest.

2.1. Focus on the Company

The Company's employees and officers are expected to devote their full time and attention to the Company's business during regular working hours and for whatever additional time may be required. Outside business activities can easily create conflicts of interest or diminish productivity and effectiveness. For these reasons, employees and officers should avoid outside business activities that divert their time and talents from the Company's business. Though the Company encourages professional activities and community involvement, special care must be taken not to compromise duties owed to the Company. Employees and officers are expected to disclose the nature of any non-Company activity for which compensation is received.

Employees and officers must obtain approval from the Board before agreeing to serve on the board of directors or similar body of a for-profit enterprise or government agency.

Serving on boards of not-for-profit or community organizations does not require prior approval. However, if service with a not-for-profit or community organization creates a situation that poses a conflict of interest with the Company (for example, the organization solicits charitable contributions from the Company or purchases significant services from the Company), the Company's CEO should be contacted for approval to continue such service.

2.2. Investments in Other Companies

Employees, officers and directors of the Company should not acquire a significant equity ownership position in any significant customer, supplier or competitor of the Company or

in any company with which the Company is engaged in, or proposes to engage in, or, to the knowledge of the employee, officer or director, is considering entering into, a significant business transaction. The significance of an equity ownership position will be determined with reference to the size of the position with respect to the other company's outstanding equity and with respect to the size of the employee's, officer's or director's personal net worth. An equity ownership position that exceeds 1% of the outstanding equity securities of another company will be deemed to be significant (regardless of its size with respect to the size of the employee's, officer's or director's personal net worth), unless the Audit Committee determines otherwise based on a review of the specific facts and circumstances relating to the investment. An employee, officer or director who holds a significant equity ownership position in another company that, subsequent to the acquisition of the ownership position, becomes a significant customer, supplier or competitor of the Company, or with which the Company is considering or proposes to enter into a significant business transaction, shall promptly disclose his or her ownership in the other company to the Audit Committee and shall recuse himself or herself with respect to final Board deliberations and votes of directors regarding the Company's relationship with the other company. In addition, upon the request of the Audit Committee or a majority of disinterested directors, a director shall also recuse himself or herself from any negotiations or preliminary Board discussions regarding the Company's relationship with the other company. Employees, officers and directors should contact the CEO if they have a question as to whether a company in which they have invested or wish to invest is a significant customer, supplier or competitor of the Company, or is a company with which the Company is considering or proposes to enter into a significant business transaction.

Independent board members may not be employed by, consult for or sit on the board of directors of any entity that competes with the Company. In the event that an independent board member agrees to become employed by, consult for or sit on the board of directors of a competitor of the Company, such board member shall immediately submit a resignation to the Board. The entities that are deemed to compete with the Company shall be determined by the Nominating and Corporate Governance Committee after consulting with the Board and with Fly Leasing Management Co. Limited, the Company's manager.

No employee, officer or director of the Company may participate in an initial public offering or otherwise accept special investment opportunities from a supplier, vendor (including banks or financial advisers), or customer with whom the Company is doing business or that is seeking to sell products or services to the Company without first disclosing the opportunity to the Audit Committee.

2.3. Special Situations

- *Public Office.* Prior to seeking any election or appointment to public office, an employee, officer or director must notify the Board to clarify the Company's position in the event the candidacy is successful or the appointment is made. Written approval must be obtained.
- *Solicitations.* Employees and officers should not solicit contributions or other support from fellow employees, or distribute non-work-related material to fellow

employees, during working hours or in areas where work is being performed.

- *Loans.* No employee, officer or director may accept loans or guarantees of obligations (except from banks of other entities that provide such services in the normal course and at arms' length) from any individual, organization or entity doing or seeking to do business with the Company. Any offer of such a loan should be reported to the Company's CEO.

2.4. Procedures in the Event of Conflicts

Subject to the limitations imposed by this Code, each employee and officer is free to engage in outside activities that do not interfere with the performance of his or her responsibilities or otherwise conflict with the Company's interests.

Where there is a real or perceived conflict of interest involving an employee or officer of the Company (except the CEO), the nature of the conflict must be disclosed to the Company's CEO. Where there is a real or perceived conflict of interest involving the CEO or a director of the Company, the CEO or such director shall notify the Board of Directors prior to any Board discussion of the matter. In addition, a director shall recuse himself or herself from any Board decision involving another firm or company with which the director is affiliated.

2.5. Corporate Gifts and Hospitality

To ensure that the Company's business dealings are open, sincere, honest and truthful, employees, officers and directors of the Company should:

- avoid using their position, Company resources or time for personal benefit or for the benefit of persons or organizations unconnected with the Company; and
- not accept money, significant gifts, services or hospitality that might affect, or could reasonably appear to affect, their ability to make independent judgments on business transactions, from a customer or supplier.

Accepting a gift, favor, service or privilege, including travel or entertainment, from an existing or potential customer or supplier that is of more than nominal value, and that exceeds the level of business courtesies extended in accordance with accepted ethical business standards – thereby creating a conflict of interest – is prohibited.

As discussed in more detail below, the Company's policy is that business gifts of nominal intrinsic value, i.e., not exceeding €500 in value may, be accepted, provided the gift is unsolicited and is not in the form of cash or a gift certificate. Gifts in excess of €500 in value should be declined. Employees, officers and directors should advise the Company of details of any gifts/hospitality offered and/or received. If you are in doubt as to whether accepting a gift would violate such policy, then you should seek advice.

It is difficult to lay down hard and fast rules covering the acceptance of hospitality in all circumstances. The overriding concern is that we are all above suspicion and that our

dealings with commercial and other interest should bear the closest possible scrutiny.

There would be no objection to the acceptance of what is regarded as modest hospitality, the most obvious example being a business lunch.

Local entertainment, such as golf, theater, dinners, sporting events, etc., are also considered acceptable business courtesies, so long as the frequency and the cost to the donor is within reason. Also, in certain situations, the normal working relationship between the Company and others may lead to occasions which necessitate certain authorized employees, as representatives of the Company, to accept offers of transportation, food, lodging and entertainment in conjunction with appropriate business activities.

Modest hospitality should not be allowed by Company employees, officers and directors to reach a position whereby we might be deemed by others to have been influenced in making a business decision, as a consequence of accepting such hospitality. Hospitality of a significant nature (over €500) should be declined, unless specifically approved by the Chairman of the Audit Committee.

In accepting gifts/hospitality of nominal intrinsic value, care should be taken not to compromise the high standards expected by the Company. The acceptance of cash (whether in the form of a gift or a loan) or a gift certificate in any amount is prohibited. If a prohibited gift is received, it must be returned promptly, accompanied by an explanation of this policy.

Notwithstanding the foregoing policy, the Company and its Board of Directors acknowledge that it is common practice for employees, officers and directors of aircraft leasing companies and airlines to receive invitations to events that are sponsored by companies in the aviation industry, such as Airbus and Boeing. It is common for participants in these events to receive hospitality from event sponsors, including travel arrangements, accommodations, meals and entertainment. It is the Company's policy that its employees, officers and directors may accept such hospitality, so long as representatives from other aircraft leasing companies and/or airlines are present at such events and the level of hospitality so offered is comparable to that offered to executives of other companies.

Occasionally, a supplier may offer a discount on services or products purchased by Company employees and representatives. Such discounts can only be accepted when they are available to everyone in the Company. Employees, officers and directors and their families are prohibited from requesting, accepting or offering any form of under-the-table payment, kickback, bribe, rebate, or other improper payment or gratuity in connection with any corporate expenditure or sale of goods or services. If approached with such an offer, the Company's CEO or the Audit Committee should be contacted immediately.

3. Protection and Proper Use of Company Assets

Every employee, officer and director has a personal responsibility to protect the assets of

the Company from misuse or misappropriation. The assets of the Company include tangible assets, such as products, equipment and facilities, as well as intangible assets, such as corporate opportunities, intellectual property, trade secrets and business information (including any nonpublic information learned as an employee, officer or director of the Company).

3.1. Theft/Misuse of Company Assets

The Company's assets may only be used for business purposes and such other purposes as are approved by the Company. No employee, officer or director may take, make use of, or knowingly misappropriate the assets of the Company, for personal use, for use by another, or for an improper or illegal purpose. No employee, officer or director is permitted to remove, dispose of, or destroy anything of value belonging to the Company without the Company's consent, including both physical items and electronic information.

3.2. Corporate Opportunities

No employee, officer or director of the Company shall for personal or any other person's or entity's gain deprive the Company of any business opportunity for benefit which could be construed as related to any existing or reasonably anticipated future activity of the Company.

Employees, officers and directors who learn of any such opportunity through their association with the Company may not disclose it to a third party or invest in the opportunity without first offering it to the Company. Nor should any employee, officer or director use Company property, information or position for personal gain.

3.3. Confidential Information/Privacy

No employee, officer or director of the Company who is entrusted with information of a confidential or proprietary nature (about the Company, its suppliers, customers or other constituents) shall disclose that information outside the Company, either during or after service with the Company, except with written authorization of the Company or as may be otherwise required by law. Employees, officers and directors may not use confidential information for their own personal benefit or the benefit of persons or entities outside the Company.

Confidential information includes all non-public information learned as an employee, officer or director of the Company. It includes, but is not limited to;

- Non-public information that might be (i) of use to competitors, suppliers, vendors, joint venture partners or others, (ii) of interest to the press, or (iii) harmful to the Company or its customers, if disclosed;
- Non-public information about the Company's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock splits and divestitures;

- Non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or joint venture partners, which the Company is under an obligation to maintain as confidential;
- Non-public information about discussions and deliberations, relating to business issues and decisions, between and among employees, officers and directors. See section relating to Insider Trading and Fair Disclosure; and
- Non-public information about fellow employees or any other individuals about whom the Company may hold information from time to time.

3.4. Network Use, Integrity & Security

The Company reserves the right to monitor or review any and all data and information contained on any employee's or officer's computer or other electronic device issued by the Company. In addition, the Company reserves the right to monitor or review an employee's or officer's use of the Internet, Company Intranet and Company e-mail or any other electronic communications without prior notice.

Access to Company systems will be revoked and disciplinary action may be taken in the event that such systems are used to commit illegal acts, or to violate the nondiscrimination, harassment, pornography, solicitation or proprietary information terms of this Code, or any other terms of this Code.

In order to maintain systems integrity and protect the Company network, no employee or officer should divulge any passwords used to access any Company computer or database. Any suspected breach of the Company's network security systems should be reported to a responsible supervisor or appropriate internal authority immediately.

All employees and officers should refrain from using or distributing software that may damage or disrupt the Company's work environment by transmitting a virus or conflicting with Company systems.

No employee or officer should engage in the unauthorized use, copying, distribution or alteration of computer software whether obtained from outside sources or developed internally. All software, including "shareware," contains terms of use that must be adhered to.

4. Relationships with Customers and Vendors

4.1. Fair Dealing

Each employee, officer and director should deal fairly with the Company's suppliers, customers, competitors and employees. No employee, officer or director should take unfair advantage through manipulation, concealment, abuse of privileged information,

misrepresentation of material facts, or any other unfair-dealing practice. We respect the confidentiality and privacy of our suppliers and customers. Information about the Company's suppliers, customers, competitors and employees must be used in an ethical manner and in compliance with the law. Under no circumstance should information be obtained through theft, illegal entry, blackmail, or electronic eavesdropping, or through misrepresenting affiliation with the Company or identity. Any confidential or proprietary information should not be used if it is suspected that such information has been obtained improperly.

Similarly, each employee, officer and director must respect and protect any confidential or proprietary information shared with the Company unless disclosure is necessary to comply with statutory requirements, subpoenas, court orders or other lawful process or properly authorized government investigations. This information should not be released without proper authorization and should be used for legitimate business purposes only. Employees and officers should not divulge any proprietary information about their former employers, nor shall any employee, officer or director ever ask them to.

Customers and potential customers are entitled to receive accurate information regarding prices, capabilities, terms and scheduling. The Company strives to produce advertisements that are fair, accurate and lawful. False or misleading statements to sell or market Company products or services are to be strictly avoided. Immediate efforts should be made to correct any misunderstanding that may exist with a customer or potential customer.

Vendors and suppliers should be dealt with fairly, honestly and openly. Please make a disclosure if the representative for a particular vendor or supplier is a former Company employee, director, family member or close personal friend.

Selling anything to or buying anything from the Company, except on the same terms and conditions as comparable employees, officers or directors are permitted to so purchase or sell, is prohibited.

You should assume that anything that would present a conflict for an employee, officer or director would likely also present a conflict if it is related to a member of his or her family or someone with whom the employee, officer or director in question has a close personal relationship.

4.2. Trade Practices and Antitrust Compliance

Vigorous competition – free from collusion and unreasonable restraints — is the best mechanism for ensuring the production of high quality, well-priced and innovative products and services. Moreover, failure to comply with antitrust and other trade regulation laws in every jurisdiction in which the Company does business could result in serious consequences both for the Company and the offending individuals — including significant civil and criminal penalties and damage to the Company's reputation. Therefore, it is the Company's policy to compete solely on the basis of its superior and innovative products and services, through the efforts and contributions of its employees, officers and directors, and to avoid improper actions that unreasonably restrain trade.

Every Company unit and employee, officer and director is expected to support Company efforts to compete vigorously in the marketplace in compliance with both the letter and the spirit of all applicable federal, state and foreign antitrust laws.

Antitrust and trade regulation issues are very complex. Determining what actions unreasonably restrain trade or are otherwise improper will depend on the structure of the market and a number of other factors. **Whenever any doubt exists as to the legality of any communication, action, arrangement or transaction, please contact the Company's CEO immediately.** To avoid even the perception of unlawful conduct, employees should avoid: (a) discussing with a competitor: prices, costs, production, products and services, bidding practices, other non-public business matters, territories, distribution channels or customers; and (b) restricting the right of a customer to sell or lease a product or service at or above any price. In addition, the following practices should not be engaged in without advanced written approval by the Company's CEO: (a) conditioning the sale or lease of a product or service on the sale or lease of another product or service ("tying"); (b) conditioning the purchase, sale or lease of a product or service on a reciprocal agreement with a customer or supplier; (c) entering into an exclusive dealing arrangement with a customer (including a lessee) or supplier; (d) limiting a customer (including a lessee) as to the territories in which, or the customers to whom, a product or service can be resold or leased; and (e) discriminating in the prices or allowances offered to competing customers (including lessees).

4.3. Documentation

Employees, officers and directors who are authorized to make expenditures or enter into transactions on behalf of the Company must ensure that the applicable records comply with the Company's accounting and purchasing policies and that all transactions are recorded properly.

5. Compliance with Other Laws, Rules & Regulations

The Company requires its employees, officers and directors to comply with all applicable laws, rules and regulations in countries where the Company does business. Violation of domestic or foreign laws and regulations may subject an individual, as well as the Company, to civil and/or criminal penalties.

Legal compliance is not always intuitive. To comply with the law, employees, officers and directors must learn enough about the national, state and local laws that affect the Company to spot potential issues and to obtain proper guidance on the right way to proceed. This means, for example, that employees and officers whose day-to-day work is directly affected by particular laws have a responsibility to understand them well enough to recognize potential problem areas and to know when and where to seek advice. When there is any doubt as to the lawfulness of any proposed activity, advice should be sought from the Company's CEO, who may retain outside legal counsel to investigate the proposed activity.

Employees, officers and directors are strongly encouraged, and indeed have an obligation, to raise concerns promptly when they are uncertain as to the proper legal course of action or they suspect that some action may violate the law. The earlier a potential problem is detected and corrected, the better off the Company will be in protecting against harm to the Company's business and reputation.

Certain legal obligations and policies that are particularly important to our business and reputation are summarized below. Further information on any of these matters may be obtained from the Company's CEO.

5.1. Insider Trading and Fair Disclosure

All officers and directors of the Company, as well as any BBAM employee who is actively engaged in the management of the Company, is subject to the Company's Security Trading Policy.

5.2. Inquiries from the Media and Public

The Company is committed to providing full, fair and accurate disclosure in all public communications and in compliance with all applicable law, regulations and rules. Consistent with this commitment and the Company's policy regarding Fair Disclosure, employees generally are not authorized to answer questions from the media, analysts, investors or any other members of the public. The Company's CEO, CFO, BBAM L.L.C's capital market team members and the designated Manager of Investor Relations are authorized to answer questions from the media, analysts, investors and other members of the public and comment on matters relating to the Company and its industry. If you should receive such an inquiry and are not authorized to respond, you must record the name of the person and immediately notify the Company's CEO.

5.3. Bribery and the Foreign Corrupt Practices Act

The Company strictly prohibits giving or promising, directly or indirectly, anything of value to any employee or official of a government (including state-owned companies) or a political party, candidate for office, or to any person performing public duties or state functions, anywhere in the world, in order to obtain or retain business or to secure an improper advantage (including the failure by such individual to perform his/her official duty), the purpose of which is to obtain favored treatment with respect to any aspect of the Company's business. Under no circumstance is it acceptable for any employee, officer or director to offer, give, solicit or receive any form of bribe, kickback, payoff, or inducement.

As a company listed on the New York Stock Exchange, the Company is subject to the Foreign Corrupt Practices Act, which makes it illegal for the Company to offer, pay, give, promise or authorize the payment of any money or of anything of value, directly or indirectly, to any foreign government official or employee, foreign political party or candidate for foreign political office for the purpose of obtaining or retaining business or to secure an improper advantage, and comparable laws in other countries. Under the Foreign Corrupt Practices Act, improper payments are defined expansively to include

payments, both direct and indirect (for example through agents or contactors); gifts; entertainment; and certain travel expenses. Although written local law may permit gift-giving or the payment of entertainment expenses, the Company's CEO must approve in advance any such payments. Although the anti-bribery laws permit in narrow circumstances small "facilitation" payments to expedite the routine performance of legitimate duties, this area is not always clear, and the situation must be discussed with the Company's CEO prior to any action being taken. Any question as to whether a gift or payment would be considered improper under the Company's guidelines or national or foreign laws must be discussed with the Company's CEO.

5.4. Political Contributions and Activities

In the United States, federal and many state laws prohibit corporations from making political contributions. No direct or indirect political contribution (including the use of Company property, equipment, funds or other assets) of any kind may be made in the name of the Company, or by using Company funds, unless the Company's CEO or his/her designee has certified in writing that such political contribution complies with applicable law. When such permission is given, such contributions shall be by Company check to the order of the political candidate or party involved, or by such other means as will readily enable the Company to verify, at any given time, the amount and origin of the contribution.

5.5. Subpoenas and Government Investigations

As a general matter, it is the Company's policy to cooperate in any government investigations and inquiries. All subpoenas, information document requests, or other inquiries should be referred immediately to the Company's CEO. See section re: Document Retention.

5.6. International Business Dealings

Specific laws and regulations apply to participation in international business. Employees and officers involved in foreign business transactions must be fully familiar with, and strictly adhere to, all applicable foreign and domestic laws and regulations. Employees and officers involved in international business matters must, at a minimum, be familiar with and comply with all applicable laws controlling exports or regulating with whom the Company and its employees may do business. These laws include export control and licensing laws, economic sanctions, anti-boycott laws, and various laws regulating the transnational movement of technology, goods and services. Questions regarding whether particular international transactions are permissible and compliance with applicable laws and this policy must be directed to the Company's CEO.

5.7. Maintaining a Safe, Healthy and Affirmative Workplace

The Company is an equal opportunity employer and bases its recruitment, employment, development and promotion decisions solely on a person's ability and potential in relation to the needs of the job, and complies with local, state and federal employment laws. The Company makes reasonable job-related accommodations for any qualified employee or officer with a disability when notified by the employee that he/she needs an

accommodation.

The Company is committed to a workplace that is free from sexual, racial, or other unlawful harassment, and from threats or acts of violence or physical intimidation. Abusive, harassing or other offensive conduct is unacceptable, whether verbal, physical or visual. Any person who believes that they have been harassed or threatened with or subjected to physical violence in or related to the workplace should report the incident to an appropriate supervisor or the Company's CEO, who will arrange for it to be investigated. All efforts will be made to handle the investigation confidentially.

The Company will not tolerate the possession, use or distribution of pornographic, racist, sexist or otherwise offensive materials on Company property, or the use of Company personal computers or other equipment to obtain or view such materials. All employees and officers must promptly contact an appropriate supervisor or the Company's CEO about the existence of offensive materials, especially child pornography, on the Company's systems or premises so that appropriate action may be taken, including notifying the proper authorities if necessary.

The Company is committed to providing a drug-free work environment. The illegal possession, distribution, or use of any controlled substances on Company premises or at Company functions is strictly prohibited. Similarly, reporting to work under the influence of any illegal drug or alcohol and the abuse of alcohol or medications in the workplace is not in the Company's best interest and violates this Code.

All accidents, injuries, or concerns about unsafe equipment, practices, conditions or other potential hazards should be immediately reported to an appropriate supervisor or the Company's CEO.

6. Accounting Practices, Books & Records and Record Retention

It is the policy of the Company to fully and fairly disclose the financial condition of the Company in compliance with applicable accounting principles, laws, rules and regulations and to make full, fair, accurate timely and understandable disclosure in our periodic reports filed with the Securities and Exchange Commission and in other communications to securities analysts, rating agencies and investors. Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions. The Company's accounting records are relied upon to produce reports for the Company's management, rating agencies, investors, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls.

All employees, officers and directors – and, in particular, the CEO and the CFO – have a responsibility to ensure that the Company's accounting records do not contain any false or intentionally misleading entries. We do not tolerate intentional misclassification of transactions as to accounts, departments or accounting periods and, in particular:

- All accounting records, as well as reports produced from those records, are to be kept and presented in accordance with the laws of each applicable jurisdiction;
- All records are to fairly and accurately reflect the transactions or occurrences to which they relate;
- All records are to fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses;
- No accounting records are to contain any intentionally false or misleading entries;
- No transactions are to be misclassified as to accounts, departments or accounting periods;
- All transactions are to be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- All accounting records are to comply with generally accepted accounting principles; and
- The Company's system of internal accounting controls, including compensation controls, is required to be followed at all times.

Any effort to mislead or coerce the independent auditors or a member of internal audit staff concerning issues related to audit, accounting or financial disclosure has serious legal consequences for the perpetrator, including criminal sanctions, and for the Company, and is strictly prohibited. If you become aware of any violation of this policy, you must report the matter immediately to the Audit Committee by contacting The Compliance Partners ("TCP"), an anonymous reporting service that the Company has engaged for this purpose. You may make an anonymous report by:

- Calling 1-877-811-8606 (US) or 1800-552739 (International) and speaking with a representative of TCP;
- Sending an e-mail to flyleasing@answernet.com;
- Logging on to www.thecompliancepartners.com/flyleasing and submitting an anonymous report form; or
- Sending a letter to TCP at 8915 Knight Road, Houston, TX 77054.

Consistent with the reporting and recordkeeping commitments discussed above and elsewhere in this Code, all employees, officers and directors should accurately and truthfully complete all records used to determine compensation or expense reimbursement. This includes, among other items, reporting of hours worked (including overtime), reimbursable expenses (including travel and meals), and sales activity.

Compliance with the Company's records retention procedures is mandatory. Destroying or altering a document with the intent to impair the document's integrity or availability for use in any potential official proceeding is a crime. Destruction of corporate records

may only take place in compliance with the records retention policy. Documents relevant to any pending, threatened, or anticipated litigation, investigation, or audit shall not be destroyed for any reason. Any belief that Company records are being improperly altered or destroyed should be reported to a responsible supervisor, the Company's CEO or the Chairman of the Audit Committee.

7. Scope

No Company policy can provide definitive answers to all questions. If employees have questions regarding any of the standards discussed or policies referenced in this Code or are in doubt about the best course of action in a particular situation, the employee should refer to the reporting requirements for that goal or standard as stated in this Code, or the reporting requirements set forth in a specific Company Policy and contact the person or party designated.

This Code is not intended to supersede or materially alter Company policies and procedures already in place and communicated to Company employees.

Any waivers of this Code may be made only by the Board of Directors or the Audit Committee to which such responsibility has been delegated. Any waivers for officers or directors, including the CEO, CFO and other senior officers of the Company, must be promptly disclosed as required by applicable law and/or stock exchange regulation.

8. Duty to Report Violations

Each employee, officer and director is responsible for promptly reporting to the Company any circumstances that such person believes in good faith may constitute a violation of this Code, or any other Company policy, or applicable law, regulations and rules.

Any complaint regarding accounting, internal accounting controls or auditing matters (including confidential and anonymous complaints) should be reported to the Audit Committee by contacting TCP, an anonymous reporting service that the Company has engaged for this purpose. You may make an anonymous report by:

- Calling 1-877-811-8606 (US) or 1800-552739 (International) and speaking with a representative of TCP;
- Sending an e-mail to flyleasing@answernet.com;
- Logging on to www.thecompliancepartners.com/flyleasing and submitting an anonymous report form; or
- Sending a letter to TCP at 8915 Knight Road, Houston, TX 77054.

No retribution against any individual who reports violations of this Code in good faith will be permitted, and mechanisms for reporting in a confidential and anonymous manner are noted above. Every effort will be made to investigate confidential and anonymous

reports within the confines of the limits on information or disclosure such reports entail. While self-reporting a violation will not excuse the violation itself, the extent and promptness of such reporting will be considered in determining any appropriate sanction, including dismissal. The Company will investigate any matter which is reported and will take any appropriate corrective action.

9. Violations of this Code

Allegations of Code violations will be reviewed and investigated by the Company's CEO, or, in appropriate circumstances by the Company's Audit Committee. Violations of this Code may result in, among other actions, suspension of work duties, diminution of responsibilities or demotion, and termination of employment.

CERTIFICATE OF COMPLIANCE

I _____ hereby certify that I have read,

(Print name)

understand and am in compliance with the terms of the foregoing “Code of Business Conduct and Ethics.”

Date: _____

Signature: _____

Title: _____

If you have any questions, please contact:

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