

**AMENDED AND RESTATED CODE OF BUSINESS CONDUCT AND ETHICS
ELLINGTON FINANCIAL LLC**

Adopted October 31, 2016

The following shall constitute the Code of Business Conduct and Ethics of Ellington Financial LLC (the “Company”). Ellington Management Group, L.L.C. (“Ellington”), an affiliate of Ellington Financial Management LLC, the external manager of the Company (the “Manager”), has its own Code of Ethics (the “Ellington Code of Ethics”) with which employees of Ellington and the Manager, including officers of the Company, must also comply. This Code of Business Conduct and Ethics of the Company (the “Code of Business Conduct and Ethics”) is intended to complement the Ellington Code of Ethics and to meet the requirements for a code of ethics under the Sarbanes-Oxley Act of 2002 and the listing standards of the New York Stock Exchange. This Code of Business Conduct and Ethics is specifically applicable to the Company’s principal executive officer, principal financial and accounting officer and controller, and the Company's other officers or persons performing similar functions. To the extent there is any conflict between this Code of Business Conduct and Ethics and the Ellington Code of Ethics with respect to the officers of the Company and the officers, employees and other personnel of Ellington and the Manager who perform services for or on behalf of the Company, the provisions of this Code of Business Conduct and Ethics shall control, except to the extent that the provisions of the Ellington Code of Ethics are more restrictive, in which case the provisions of the Ellington Code of Ethics shall control. If you have any questions about any such conflicts, you should ask your supervisor how to handle the situation.

I. INTRODUCTION

This Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all officers, employees and directors of the Company, as well as officers, employees and other personnel of Ellington and the Manager who perform services for or on behalf of the Company. All of such officers, employees and directors of the Company, Ellington and the Manager, as the case may be, must conduct themselves properly and seek to avoid even the appearance of improper behavior.

If a law conflicts with a policy in this Code of Business Conduct and Ethics, you must comply with the law; however, if a local custom or policy conflicts with this Code of Business Conduct and Ethics, you must comply with this Code of Business Conduct and Ethics. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Those who violate the standards in this Code of Business Conduct and Ethics will be subject to disciplinary action, including termination. If you are in a situation that you believe may violate or lead to a violation of this Code of Business Conduct and Ethics, follow the guidelines described in Section XV of this Code of Business Conduct and Ethics.

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All of our employees, officers and directors must respect and obey the laws of the municipalities, states and countries in which we operate and rules and regulations of the regulatory bodies to which we are subject. Although not all employees, officers and directors are expected to know the details of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel to ensure they are not violated.

The Company, Ellington and the Manager may hold information and training sessions to promote compliance with laws, rules and regulations.

III. CONFLICTS OF INTEREST

A "conflict of interest" exists when a person's private interest interferes, or appears to interfere, with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also may arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, our employees, officers or directors or their family members may create conflicts of interest.

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors of the Company (the "Board of Directors"). Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management, the Company's Chief Financial Officer, the Company's Corporate Counsel, the General Counsel of Ellington or the Chief Compliance Officer of Ellington. Any employee, officer or director who becomes aware of a conflict or a potential or apparent conflict should bring it to the attention of a supervisor, manager or other appropriate personnel, or consult the procedures described in Section XV of this Code of Business Conduct and Ethics.

IV. INSIDER TRADING

Employees, officers and directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. If you have any

questions, please consult the General Counsel of Ellington, the Chief Compliance Officer of Ellington or the Company's Corporate Counsel. Please refer to our Insider Trading Policy and ensure your compliance with it.

V. CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No employee, officer or director may use corporate property, information, or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

VI. COMPETITION AND FAIR DEALING

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing or using proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee, officer and director should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers or violate laws such as the U.S. Foreign Corrupt Practices Act (the "FCPA"). Please refer to the Ellington Code of Ethics, which contains specific guidelines regarding the giving or receipt of gifts or entertainment. You must comply with those guidelines. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate.

VII. DISCRIMINATION AND HARASSMENT

Equal employment opportunity has been, and will continue to be, a fundamental principle at the Company, where employment is based upon personal capabilities and qualifications without discrimination. We will not tolerate discrimination against any person on the basis of race, color, religious creed, sex, age, gender, national origin, ancestry, present or past history of mental disability, mental retardation, learning disability, physical disability (where the applicant or employee is qualified to perform the essential functions of the job with or without reasonable accommodation), marital status, pregnancy, genetic information, sexual orientation, or any other protected characteristic as established by law, in recruiting, hiring, compensation, benefits, termination, or any other terms or conditions of employment.

Company policy strictly prohibits any form of harassment in the workplace, including sexual harassment. This policy applies to conduct that is made a condition of employment, is used as a basis for employment decisions, creates an intimidating, hostile or offensive working environment, or unreasonably interferes with an individual's work performance.

If you believe you have been subjected to harassment of any kind, you should promptly report the incident to your manager, the Director of Human Resources of Ellington, or Ellington's General Counsel or Chief Compliance Officer.

Complaints of harassment or discrimination will be investigated promptly and will be kept confidential to the extent reasonably possible. Employees who engage in acts of harassment and discrimination are subject to corrective action that may include termination of employment. The Company will not retaliate against anyone for making a good faith complaint or report of harassment or discrimination or participating in the investigation of the complaint or report. Retaliation is a serious violation of the Company's discrimination and harassment policy and, like discrimination or harassment itself, may subject the offender to corrective action that may include termination of employment.

VIII. HEALTH AND SAFETY

The Company strives to provide each employee with a safe and healthful work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of alcohol or illegal drugs in the workplace will not be tolerated, except to the extent specifically permitted by management during holiday celebrations and other similar special events.

IX. RECORD-KEEPING

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions.

Employees may use business expense accounts, which must be documented and recorded accurately in accordance with Ellington's policies and procedures. If you are not sure whether a certain expense is legitimate, ask your supervisor or your controller. Rules and guidelines are available from Ellington's Accounting Department.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform to applicable legal requirements, to the Company's system of internal controls and be in compliance with Generally Accepted Accounting Principles. Accurate

business records are essential to the management of the Company and to maintaining investor confidence. They also help the Company fulfill its obligation to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company. Unrecorded or “off the books” funds, assets or transactions should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports. When writing or documenting any such item, one should assume everything written or documented will be made public. Records should always be retained or destroyed according to Ellington’s record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, it is essential to follow the advice of Ellington’s General Counsel or Chief Compliance Officer and the Company’s outside legal counsel. Whenever litigation or an investigation is pending or threatened, every potentially relevant document must be preserved unless destruction has been approved by outside legal counsel.

X. CONFIDENTIALITY

Employees, officers and directors must maintain confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized by Ellington’s General Counsel and outside legal counsel or required by laws or regulations. The obligation to preserve confidential information continues even after employment ends. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Confidential information also includes items such as non-public information concerning the Company’s business, financial results and prospects and potential corporate transactions. Directors, officers and employees are required to keep such information confidential during service with the Company as well as thereafter, and not to use, disclose, or communicate that confidential information other than in the course of their work for the Company. The consequences to the Company and the director, officer or employee concerned can be severe where there is unauthorized disclosure of any non-public, privileged or proprietary information.

For more information regarding restrictions on the disclosure of material nonpublic information, please refer to the Company’s “Corporate Disclosure/Regulation FD Policy.”

XI. PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees, officers and directors should endeavor to protect the Company’s assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company’s profitability. Any suspected incident of fraud or theft should be immediately reported to Ellington’s General Counsel or Chief Compliance Officer, and Ellington’s

Chief Accounting Officer for investigation. All Company assets should be used for legitimate business purposes. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees, officers and directors to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and strategic plans, models (including model assumptions and code), trade information, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

XII. PAYMENTS TO GOVERNMENT PERSONNEL

The FCPA prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make payments to government officials of any country. The term government officials is broadly defined under the FCPA and therefore consultation with Ellington's General Counsel and Chief Accounting Officer is advised prior to making any payments that may be subject to the FCPA.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Company's or Ellington's outside legal counsel can provide guidance to you in this area. Similar to the FCPA, the term "government officials" is broadly defined and therefore guidance and approval should be obtained prior to gifts or entertainment being made to any government official.

XIII. WAIVERS OF THIS CODE OF BUSINESS CONDUCT AND ETHICS

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors or a committee of the Board of Directors and will be promptly disclosed to shareholders as required by law or stock exchange regulation.

XIV. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees, officers and directors are expected to cooperate in internal investigations of misconduct. Please refer to the Company's "Open Door Policy for Reporting Complaints Regarding Accounting and Auditing Matters."

XV. COMPLIANCE PROCEDURES

We must all work to ensure prompt and consistent action against violations or potential violations of this Code of Business Conduct and Ethics. However, in some situations it is difficult to know if a violation has occurred or may occur. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from Company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it with the Company's Corporate Counsel, Ellington's General Counsel, Chief Compliance Officer or Chief Accounting Officer. If that also is not appropriate or if you wish to do so anonymously, call 1-800-876-6024 or you may send an e-mail via our compliance website at <http://ellingtonfinancial.alertline.com>, both of which are maintained by a third-party vendor, Global Compliance, which will put you in direct contact with the appropriate people.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

XVI. ACCOUNTABILITY

You will be accountable for adherence to this Code of Business Conduct and Ethics. Violations of this Code of Business Conduct and Ethics may result in a variety of disciplinary actions, including termination of employment and civil or criminal penalties.

XVII. ACKNOWLEDGEMENT

Ellington will distribute a copy of this Code of Business Conduct and Ethics to all new employees, officers or directors upon commencement with their relationship with Ellington, the Manager or the Company. All such persons must acknowledge in writing (including electronically) that they have received, read, understood, and agree to comply with this Code of Business Conduct and Ethics. Ellington will also distribute copies of this Code of Business Conduct and Ethics to all employees, officers or directors of Ellington, the Manager or the Company annually, and upon any material amendment to it, and Ellington will, at that time, ask that such persons acknowledge this Code of Business Conduct and Ethics in writing and confirm his or her agreement to abide by it.

XVIII. CERTIFICATION

This Code of Business Conduct and Ethics was duly approved and adopted by the Board of the Company on the 31st day of October, 2016.



SECRETARY