CODE OF ETHICS AND CORPORATE CONDUCT

The Bank is committed to operating its business with honesty, integrity and the highest level of ethical conduct. This commitment is absolute. Our employees must treat every customer, fellow employee and member of the public accordingly with courtesy, respect and tactfulness both inside and outside of banking hours. Employees must conduct their personal affairs so that there is no opportunity for unfavorable reflection upon the Bank – either expressed or implied.

Independent judgment is critical to the performance of your job. To maintain that independence, employees should avoid any employment, personal or business dealings, or other relationships or activities that could impair independent thinking and judgment.

The Bank has many valuable assets – including its employees, property, information and reputation. It is the duty of every employee to preserve and protect these assets, and to use them only in ways that will promote the best interest of the Bank.

The Bank’s reputation of honesty, integrity and security reflects the personal reputation of the Bank’s directors, officers and staff members – this reputation for integrity is one of the Bank’s most valuable assets. This reputation is protected by the Bank’s established Code of Ethics. Outlined below are expected or prohibited behaviors (not all inclusive) which are intended to provide guidance for the ethical behavior of employees both at work and during non-working hours. This information should be used as a guide and is not all inclusive.

I. CORPORATE CONDUCT

The Bank is committed to performing in a manner that acknowledges its interdependence with respect for its social, economic, and physical environment. Our activities should earn the confidence and trust of our employees, customers, shareholders, and the general public.

Basic principles of corporate conduct can be stated as follows:

- The Bank does not cause or tolerate any violation of law or regulation in the conduct of its business or related activities.

- The Bank is committed to: maintaining a level of earnings that provides an equitable return on investments for its shareholders, providing satisfying employment opportunities in its various communities, and providing financial solutions and resources that meet the needs of its customers and the communities it serves.

- The Bank provides pertinent information to authorized auditors or regulatory agencies, and discloses, on a timely basis, information required for judging the soundness of its condition and its merits as an investment.

- The Bank maintains and upholds standards and procedures that are designed to safeguard the legitimate confidentiality of information pertaining to its customers and employees.
• The Bank conducts its business in fair and open competition and does not enter into illegal arrangements with competitors affecting pricing or marketing policies.

II. AVOIDING CONFLICTS OF INTEREST

An employee must not represent the Bank in any transaction where he or she has any material connection or substantial financial interest. A material connection includes the involvement of any family member or close personal friends. This policy includes, but is not limited to, approval of bank overdrafts, authorizing or accepting checks on uncollected funds, waiving of bank charges or late charges, or other normal fees. This also includes making loans, waiving financial statements, or any similar type of activity.

An employee may not accept a directorship of another corporation without written approval of the President/CEO. Employees should also seek written approval for Directorship on organizations, associations or any association where their service would affect their normal work schedule.

III. PERSONAL INTEREST

Employees of the Bank must recognize and are advised to avoid any situation where personal or financial interest or relationships might actually be influential or appear to be influential on matters affecting the Bank. Consultation with supervisors is appropriate and required if there is any question that an activity may violate or appear to violate this policy.

IV. INVESTMENTS

Bank employees, when conducting their personal investment transactions, should not engage in transactions that create a conflict of interest or the appearance of a conflict of interest with the investment activities of the Bank. Employees should not use or communicate confidential or other “inside information” obtained during their work for their own or another’s personal benefit. It is also improper for an employee to invest in a customer’s business unless the interest is acquired through an organized stock exchange, and the Bank has no access to confidential information or material inside information. Employees are also prohibited from subscribing to new issues of stock in a customer’s business to avoid a conflict of interest.

V. ACTIVITY

While the Bank encourages employees to become involved in positive outside activities, including political activities, these activities can be the basis for conflict of interest. Every employee should notify his or her supervisor in writing immediately following election or appointment to political office. The Bank’s awareness of employee political activity will help avoid conflicts of interest, especially those that could arise from Bank investment activity in the political entity in which an employee is involved.
VI. OUTSIDE ACTIVITIES

Employees must seek written approval from their Division Manager prior to accepting outside employment and participation in the affairs of outside associations and organizations. Specific types of outside activities that raise conflict-of-interest questions include, but are not limited to, the following:

• Employment by a company that is a competitor of the Bank.
• Preparation of an audit of statements to be presented to the Bank to secure a loan.
• Publication of books or articles for a fee.
• Rendering investment counsel based on information, reports, or analyses prepared for or by the Bank.
• Rendering accounting services.
• Drawing of wills or practicing law.
• Use of Bank equipment, supplies or facilities for non-bank related matters.
• Performing a service that the Bank itself could perform.
• Personal business ownership or business partnership.

VII. EMPLOYEE RESPONSIBILITIES

The Bank is sensitive to its position as a steward of funds, property, information and the financial affairs of others and is accountable for all that is entrusted to us. The Bank and its employees will take all reasonable steps to safeguard funds, property, information and financial affairs of others against fraud, identity theft, loss or dishonesty.

VIII. PERSONAL ACTIVITIES

Employees are expected to maintain personal integrity and conduct themselves in a responsible manner, in connection with their personal activities, even off premises and outside of working for the Bank. Therefore, employees must refrain from improper or controversial personal conduct, which could adversely affect the Bank’s relationship with its customers, its prospective customers, and its business partners and reputation.

IX. INTEGRITY

Employees are expected to act honestly and handle all of the Bank’s business relationships fairly and professionally, both with internal associates and external customers. Employees should not engage in any illegal or criminal acts or provide any false information. Violation of this policy may lead to disciplinary action up to and including termination of employment.

X. EMPLOYEE PERSONAL FINANCE MANAGEMENT

All employees are expected to conduct their financial business in an exemplary manner that reflects the trust that our customers have placed in us. Every employee should maintain personal fiscal integrity. Each employee should maintain good credit standing and depository relationships with the Bank. Garnishments, levies, voluntary or involuntary bankruptcies, over extensions of credit and/or drawing checks against insufficient funds, and other financially questionable
conduct do not demonstrate sound and prudent judgment in handling personal financial debts and may lead to discipline up to and including discharge.

Employees and their immediate families should borrow only from commercial Banks or retail institutions that regularly lend money. Borrowing may be done only on a normal basis with no favored treatment. Employees and their immediate families may not borrow from customers and suppliers except those who engage in lending as the usual course of their business and then only on terms customarily offered to others under similar circumstances without special concessions as to interest rate, terms, security, repayment terms, and penalties.

The Bank may seek prosecution of any employee suspected of embezzlement or misappropriation of funds in connection with his or her employment.

The policies and rules of the Code of Ethics contained in this employee policy manual will be vigorously enforced through audit, examination, and personnel procedures.

XI. COMPLIANCE

Compliance with all applicable laws and regulations, both foreign and domestic, is required by the Bank’s Code of Ethics. This is very important to the Bank’s corporate image and strategies.

With respect to business conduct, employees should rely on Bank approved policies and procedures. Deviation from approved policies and procedures cannot be made without the approval of executive or senior management. When applicable, employees who are responsible for creating and maintaining policies and procedures should secure advice, if applicable from the Bank’s legal and compliance representative prior to implementing any change. In the event that any existing or proposed Bank policy, procedure or practice causes a concern regarding a possible non-compliance, that issue should be brought to the immediate attention of management.

XII. FALSIFICATION OR ALTERATION OF DOCUMENTS

Employees should not alter any Bank or government documents or provide false information in those documents. This includes information stored electronically.

XIII. ILLEGAL PAYMENTS

No employee shall give any money, gift, unusual hospitality, other items of monetary value, bribe, kickback or any other illegal or improper payment of any kind, to any person with whom the Bank does business or seeks to do business, or to any person with whom the Bank employee meets during carrying out his or her Bank responsibilities. The Bank will continue to abide by all laws restricting or forbidding corporate political contributions.

XIV. ASSET PROTECTION

Every employee is responsible for the protection, maintenance and preservation of the Bank’s assets. Employees must use Bank assets only for the Bank’s benefit. For this provision, “assets” includes information, human resources, equipment, property, physical and financial assets. The
Bank’s assets should not be used for personal use. Misuse, abuse or pilfering of supplies and equipment may result in disciplinary action up to and including termination of employment.

**XV. CONFIDENTIAL NATURE OF WORK**

The Bank acknowledges that in the course of employment, employees will have access to certain confidential and proprietary information not available to the general public or the Bank’s competitors. Such information is owned by and related to the Bank’s operation in tangible or intangible form, and includes but is not limited to:

- Names, addresses, social security number, telephone numbers, financial information and any other confidential information related to potential and actual clients and customers;
- Names, addresses, telephone numbers, or any other confidential information of the suppliers from which the Bank obtains products and services for its customers;
- Names, addresses, telephone numbers, social security number, financial information and any other confidential information related to employees;
- Business and sales strategies of the Bank;
- Information relating to the Bank’s inventions, products and services, research and development, finances, Bank policies and practices, marketing and production, future business plans, strategic plans, methods of business operation, pricing structures and procedures, product specifications, office protocols and systems, computer software, programs and systems;
- Information furnished to the Bank and/or employee by any client or customers of the Bank, or any of the clients or customers’ respective representatives or agents;

Employees are not allowed to disseminate, disclose, use, communicate, publish or otherwise divulge, directly or indirectly, themselves or others, any confidential information, (except in the course of the performance of authorized duties on behalf of and for the benefit of the Bank, and only as necessary to perform such duties, or with the prior written consent of the Bank) during their course of employment and following separation from employment, unless that information has become generally available to the public. Employees may only use the Bank’s confidential information solely in furtherance of the business of the Bank and not to use in connection with or furtherance of any other business activity or private interest or making a profit during active employment or thereafter. Any other use of the Bank’s confidential information is strictly prohibited.

Employees are not to disclose any confidential information and confidential Bank business should never be discussed with anyone outside the Bank and only with employees on a job related need to know basis. Our customers, vendors, and employees entrust the Bank with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, the Bank earns the respect and further trust of our customers, vendors and employees.
If someone questions an employee outside of the Bank or department and the employee is concerned about the appropriateness of giving the individual certain information, the employee should, as politely as possible, refer the individual to his/her manager.

No one is permitted to remove or make copies of any Bank records, reports or documents without prior management approval. Disclosure of confidential information may lead to termination of employment, as well as other possible legal action. Employees who knowingly accesses, obtains, uses, or makes an unauthorized disclosure of confidential information are subject to termination of employment.

During employment and thereafter, employees are prohibited from disclosing or using the Bank’s or any client’s or customer’s trade secrets or confidential information, which includes but is not limited to the Bank's or any client customer lists or confidential personal and financial information, sales data, pricing data, profit data, business plans, strategic plans, policies, practices, methods of conducting business, and plans for future products, services, or business. Upon separation from employment with the Bank for any reason, employees should immediately deliver to the Bank all trade secret, confidential information, and any copies of such information, in whatever form (paper document, blueprint, flash drives, computer and data memory storage device, etc.), as well as, delete and appropriately destroy all bank related electronic information immediately from any personal computers and electronic devices.

XVI. USE OF CORPORATE NAME AND LETTERHEAD

The Bank’s name, logo and corporate letterhead shall only be used for official Bank business and marketing efforts approved by executive and senior management.

XVII. RELATIONSHIP TO THE MEDIA

Only certain employees of the Bank are authorized to speak on the Bank’s behalf. Employees should refer all questions or requests for information from reporters and/or other media representatives to the Bank's President/CEO, Marketing Officer, or person designated as the Bank’s spokesperson.

XVIII. CUSTOMER RELATIONSHIPS

Employees cannot participate in Bank transactions involving persons or firms whom employees, their families or dependents have any relation or financial interests. Employees must advise the Bank in writing if he or she believes that they may be involved in a relationship or transaction prohibited by the Customer Relationship policy. The Bank will then evaluate the employee’s disclosure statement and notify him or her in writing whether the relationship or transaction is in fact a violation.

Employees should not accept any money, gift, benefit, unusual hospitality or other items of monetary value from any person with whom the Bank does business, with whom the Bank is seeking to do business or from any person seeking to do business with the Bank. The term “person” includes, but is not limited to, customers, other financial institutions, vendors, service providers or any business or professional firm or corporation. (Please refer to the Gift Policy for further information).
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- All Bank business transactions made by employees will be without regard or relation to personal fees, tips or commissions.
- Employees shall award orders, contracts and commitments to vendors and customers without favoritism. Business of this nature must be performed solely on the basis of merit.
- Employees should not borrow money or accept favored treatment from vendors and/or customers.
- Employees should always provide information to customers so that they may select banking solutions that are best suited to their needs.

XIX. ADVICE TO CUSTOMERS

No employee should give legal, tax or other professional advice to customers, unless they are authorized to act in a capacity to do so.

XX. GIFTS, FEES, LEGACIES AND LOANS

No gifts, regardless of value, are to be encouraged or solicited by employees in connection with the Bank’s business and/or responsibilities. However, employees, as expressions of courtesy and appreciation may accept gifts in kind such as fruits, flowers or candy as long as their monetary value is minimal and does not represent a “substantial gift” (over $100.00 in value).

Gifts that exceed $100.00 in value are neither to be accepted, nor, as a general rule, to be given. Employees who receive gifts exceeding this value should report them to their supervisor immediately. For personal protection, employees should never accept a gift in any form or amount if it could influence them, in dealing with the giver, or if the gift could prove compromising or embarrassing. Employees should never accept a gift of money or securities in any amount.

The Crime Control Act of 1984 makes it a felony for a bank (or bank holding company) employee to accept anything of value in exchange for favorable treatment in any type of bank transaction. The statute makes it a crime for the giver of the gift, as well as the receiver of the gift. The Act expanded the types of transactions to not only include loan transactions, but any transaction including those of suppliers, professional advisors (attorneys, accountants, etc.), and other day-to-day banking functions with customers or potential customers. Violation of the statute constitutes a felony and could result in fees and penalties.

An employee must not accept a loan from a bank customer or supplier. This prohibition does not apply to loans from banks or other financial institutions on customary credit needs such as home mortgage and consumer credit loans. An employee must not receive anything of value for making a loan. An employee may not do indirectly what he or she is prohibited from doing directly, to include, but not limited to arranging to have a member of his or her family accept a gift from a customer, etc.

An employee must not accept a fee for performance of any act that the Bank could have performed or conduct any business that the Bank could have performed.
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It is improper for an employee to accept a gift from a customer or supplier or from any other person or business seeking a business or supplier relationship with the Bank. This does not apply to gifts from relatives, food, or entertainment at a luncheon or business meeting, advertising or promotional materials of nominal value, awards by civic or charitable organizations, or gifts of nominal value on special occasions such as Christmas or other holidays. Nominal value is a value that would be within the ability of the employee to reciprocate on a personal basis or with legitimate claim for reimbursement under similar circumstances (less than $100).

An employee must refuse any legacy or bequest or refuse to serve personally as executive, trustee, or guardian of an estate or trust of a bank customer except where the customer is a close relative of the employee without written approval from executive management.

XXI. WHO ANSWERS YOUR QUESTIONS

The person representing management, with whom employees will have the most direct and frequent contact, is their manager. Any question(s) employees have about the Bank’s policies, procedures, expectations, practices, methods, etc. should be directed to them. Managers will be the employee’s principal source of information and guidance and will assist employees in every way possible.

Any employee who is uncertain as to whether a particular situation or proposed course of action is in conflict with the Bank’s Code of Ethics and conduct should present the facts concerning the situation to his or her supervisor, manager, or the Human Resources Department.

XXII. VIOLATIONS AND ENFORCEMENT

The Bank will seek prosecution for criminal acts perpetrated against the Bank by an employee or other person. Violations of the Bank’s Code of Ethics and Conduct, policies and procedures could result in discipline up to and including termination of employment and/or referral for criminal prosecution.