

CODE OF ETHICS

The Boards of Directors of Hometown Bancorp, MHC, Hometown Bancorp, Inc., and Hometown Bank of the Hudson Valley (collectively, the “Bank”), have jointly adopted this code of business conduct and ethics (“Code”) to establish the standards of ethical business behavior and personal conduct for the Bank's directors, officers and employees. Fundamental to our continued success is our commitment to integrity and the highest ethical standards.

Because the principles described in this Code are non-exhaustive and general in nature, you should also review all applicable Bank policies and procedures for more specific instruction.

Nothing in this Code, in any Bank policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment.

This Code was adopted for the purpose of fostering:

- Honest and ethical conduct, including fair dealing and the ethical handling of actual or apparent conflicts of interest;
- Full, fair, accurate, timely and understandable disclosure in public filings and public disclosures;
- Compliance with applicable laws and governmental rules and regulations;
- The protection of the Bank’s business interests, including corporate opportunities, assets and confidential information; and
- Accountability for adherence to this Code and to promote the prompt internal reporting of any violations or apparent violations of this Code.

All directors, officers and employees of the Bank are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them. For purposes of this Code, the “Code of Ethics Contact Person” will be either the President, the Director of Human Resources, or Chairman of the Audit Committee of the Board of Directors.

From time to time, the Bank may waive some provisions of this Code. Any waiver of the Code for executive officers or directors of the Bank may be made only by the Board of Directors or the Audit Committee and must be promptly disclosed as required by SEC rules. Any waiver for other employees may be made only by either the President or the Audit Committee.

Each employee, officer and director shall sign a written acknowledgement and agreement to comply with this Code and deliver it to the Bank's Director of Human Resources. On an annual basis, the Code will be reviewed and explained to the extent necessary to ensure that all employees, officers and directors understand the rules and principles governing their conduct

Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which this Bank's ethical standards are built. All employees, officers and directors must respect and obey the laws, rules and regulations of the jurisdictions in which the Bank conducts business. To that effect, all employees, officers and directors must take an active role in being knowledgeable of and ensuring compliance with all applicable laws, rules and regulations, and must immediately report violations or suspected violations to the President or the Audit Committee (in the case of directors or officers) or to an immediate supervisor (in the case of other employees).

During any government inspection or investigation, you should never destroy or alter any Bank documents, lie or make misleading statements to the government investigator, attempt to cause another employee to fail to provide accurate information and/or obstruct, mislead or delay the communication of information or records.

Conflicts of Interest

Conflicts of interest are strictly prohibited under this Code. The Audit Committee will be required to review and approve all related-party transactions. A "conflict of interest" exists when a person's private interest interferes, or even appears to interfere, in any way with the interests of the Bank. The existence of a conflict depends upon the circumstances, including the nature and relative importance of the interest involved. A conflict of interest situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Bank related work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or his or her immediate family member, receives improper personal benefits as a result of his or her position with the Bank. For all purposes herein, immediate family member is defined as a person's spouse, parents, children, brothers and sisters, mothers and fathers-in-law, sons and daughters-in-law, and brothers and sisters-in-law.

Although it is not practical to list every activity or interest that might present a conflict of interest, the following are examples of specific situations in which conflicts of interest could arise, and sets forth the Bank's policy with respect to such conflicts of interest.

Interests in Other Companies

Directors, officers or other employees, or their immediate family members shall not acquire, own or have a significant financial interest (As a minimum standard, a significant financial interest is an aggregate interest of a employee, officer or director and family members of more than: (a) 10% of any class of the outstanding securities of a company, (b) 10% interest in a partnership or association, or (c) 10% of the total direct and beneficial assets or income of such employee, officer or director. A significant financial interest generally will not include an investment representing less than 1% of a class of outstanding securities of a publicly held company) in any business organization that does or seeks to do business with the Bank or is a competitor of the Bank, unless (a) such interest has been fully disclosed in writing to the Audit Committee and (b) the Audit Committee notifies the director, officer or employee that it has been determined that the director's, officer's or employee's duties for the Bank will not require him or her to make or cause to be made decisions that could be influenced by such interest, or that the interest is otherwise permissible.

Employment by Other Companies

Directors, officers or employees shall not serve or accept an offer to serve as a director, partner, consultant of, or in a managerial position or any other form of employment or affiliation with, any business organization that does significant business with or is a competitor of the Bank, unless (a) such position, employment or affiliation has been fully disclosed in writing to the Audit Committee and (b) the Audit Committee notifies the director, officer or employee that it has been determined that such position, employment or affiliation is permissible.

Conducting Business with Related Companies

Directors, officers or employees shall not conduct business on behalf of the Bank with a member of his or her family, or a business organization with which he or she or a family member has an interest or employment relationship that calls for disclosure under the Code standards described above or that otherwise could be considered significant in terms of potential conflict of interest, unless (a) such business dealings have been disclosed in writing to the Audit Committee and (b) the Audit Committee notifies the director, officer or employee that it has been determined that such transaction is permissible.

Employees have a duty to disclose any personal business relationship, i.e., purchase, sale or lease of property, loans, employment and ownership interests of themselves or immediate family members that they have with any customer of the Bank, any applicants for credit from the Bank or any other persons with whom the Bank conducts business. See also the Bank's Insider Lending Policy.

Unrelated Outside Employment

An officer or employee is prohibited from engaging in outside employment not related to his or her regularly assigned work that would detract from the officer's or employee's job performance or responsibilities or is otherwise detrimental to the best interests of the Bank. It is the employee's responsibility to inform his or her supervisor and the Bank about any conflict or appearance of a conflict between such employee's duties at the Bank and his or her outside employment or activities unrelated to the performance of employment duties at the Bank.

Employees of the Bank must not make statements or create the impression that outside activities engaged in by such employees are sponsored or supported by the Bank.

Reporting to an Immediate Family Member

The potential for conflict of interest clearly exists if your spouse, partner or immediate family member also works at the Bank and is in a direct reporting relationship with you. Employees should not directly supervise, report to, or be in a position to influence the hiring, work assignments or evaluations of someone with whom they have a romantic or familial relationship.

Soliciting Suppliers and Customers

No one should request donations from suppliers, customers or contractors to help pay for the Bank's social functions or other Bank events. Solicitations of cash, merchandise or services are not allowed because they could be perceived to create obligations in order to keep, increase or obtain Bank business. The Bank's relationship with its suppliers and vendors is based totally on their ability to competitively meet the Bank's business needs. Solicitation for charitable or community needs is not prohibited.

Fees and Honorariums

With prior approval, you may give lectures, conduct seminars, publish articles in books or engage in any other similar activity for which you may be paid a fee or honorarium. However, any fees, honorariums or reimbursements must be transferred to the Bank unless written approval is given to retain them.

Bribes and Kickbacks

Do not offer, give, solicit or receive bribes or kickbacks. Under some statutes, such as the Foreign Corrupt Practices Act, these are criminal actions that can lead to prosecution.

Gifts, Bribes, Kickbacks, Favors, Entertainment and Payments

Received by Directors, Officers or Employees

Directors, officers and employees will violate the law and this policy if they corruptly solicit or demand for benefit of any person, or corruptly accept or agree to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of the Bank. See the Federal Bank Bribery Law, 18 USC 215.

You may not seek or accept any gifts, payments, fees, services, privileges, vacations or pleasure trips (even with an apparent business purpose), loans (other than conventional loans on customary terms from lending institutions) or other favors from any person or business organization that does or seeks to do business with, or is a competitor of, the Bank. No one may accept anything of value in exchange for referral of third parties to any such person or business organization. In applying this policy:

- You may accept common courtesies or ordinary social amenities generally associated with accepted business practices for yourself and members of your families. These may include business lunch or dinner, holiday season gifts of reasonable value from customers or service providers, as appropriate, but generally not more than \$250. Generally, there is no threat of a violation of this policy or applicable law if the acceptance is based upon a family or personal relationship existing independent of any business of the Bank, if the benefit is available to the general public under the same conditions on which it is available to an employee of the Bank, or if the benefit would be paid for by the Bank as a reasonable expense if not paid for by another person.
- It is never permissible to accept cash or cash equivalents (savings bonds, stock, etc.) of any amount. In addition, entertainment beyond that described above should not be accepted under any circumstances.

Paid or Made by Bank Directors, Officers or Employees

You should be aware that it is a violation of law to confer benefits on an employee of another company if it is made without such person's employer's consent or knowledge and with intent to influence such person's conduct in relation to the affairs of the employer. A director, officer or employee of the Bank will violate the law and this policy if they corruptly give, offer, or promise anything of value to any person, with intent to influence or reward a director, officer, employee, agent or attorney of the Bank in connection with any business or transaction of the institution. See the Federal Bank Bribery Law, 18 USC 215.

The making of seasonal gifts at holiday time is generally not considered to be a violation of this policy; however, at no time may cash or cash equivalents (savings bonds, stock, etc.) be issued as gifts.

You may dispense common courtesies or ordinary social amenities generally associated with accepted business practices if they meet all the following criteria:

- There is a specific business purpose.
- They are of limited value, and in a form that will not be construed as a bribe or pay-off.
- They are not in contravention of applicable law (see above) and generally accepted ethical standards.
- Public disclosure of the facts will not embarrass the Bank or the director, officer or employee.

Secret commissions or other secret compensation or payments are never permissible and may be a criminal offense.

Examples of acceptable conduct:

- Acceptance of gifts, gratuities, amenities or favors based on obvious family or personal relationships when the circumstances make it clear that the motivating factor is not Bank business.
- Accept meals, refreshments, travel arrangements or accommodations or entertainment, all of reasonable value, in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations provided that the expense would be paid for by the Bank as reasonable expense if not paid for by another party.
- Accept loans from other financial institutions on customary terms offered to the general public to finance property and usual activities of employees, such as home mortgage loans except where prohibited by law.
- Accept gifts of reasonable value related to commonly recognized events or occasions, such as promotion, new job, wedding, retirement, etc.

An employee of the Bank and any immediate family members of the employee are not permitted to receive any bequest or legacy from a customer of the Bank, or to serve, as executor, trustee or guardian of an estate, trust or guardianship established by the customer of the Bank except if such customer is a relative of the employee. If the employee is aware of the designation such employee must seek to have their name removed and report this information to their immediate supervisor who in turn must

report it to the Bank's Compliance Officer. As an exception to this policy, the Board of Directors may permit such a designation where the customer makes a disclosure to the Board of Directors and the Board of Directors acknowledges the disclosure and finds no conflict of interest. In this context, a customer is any current, active, or past customer with whom the Bank has done business during the last three years.

Payments to Government Personnel

In addition, the U.S. government has a number of laws and regulations regarding business gratuities that 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 Bank policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

Corporate Opportunities

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

Insider Trading

Employees, officers or directors who have access to non-public material 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. The term "trade" includes all securities transactions in the open market, and includes transactions in Bank plans such as the Profit Sharing Plan and all other qualified plans. All non-public information about the Bank 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 is a violation of federal securities laws and can result in civil and criminal penalties.

Non-public, material information includes, but is not limited to: major development, including significant new products or services, sales and earnings reports or projections, changes in dividend rate, plans for stock splits or buy backs and potential acquisitions or mergers. Such non-public material information in the case of another company would also include knowledge that the other company may enter into or is negotiating for a contract important to it for the sale of property, goods or services to or by the Bank. In

these instances where you have such information, you must refrain from buying or selling or encouraging others to buy or sell the Bank's securities or securities of another company, as the case may be, until the information has been disclosed to the general public. If you have any questions about the appropriateness of purchasing or selling a security under these circumstances you should contact the Bank's General Counsel.

Regulation "Blackout Trading Restrictions" (BTR) prohibits insider trading of company stock during a blackout period unless the stock in question was acquired outside of employment. So, for example, shares acquired through employment, i.e., options, cannot be exercised during a blackout period. Questions should be directed to the Bank's General Counsel.

Directors and officers of the Bank are reminded that they are subject to additional obligations and to certain reporting requirements under federal securities laws. For example, all such persons must report to the SEC the purchase or sale of Bank stock by themselves or an immediate family member within 48 hours of settlement of the trade pursuant to SEC Form 4. It is the policy of the Bank that the General Counsel be notified prior to placing the trade to ensure the appropriateness of the trade and to prepare necessary reporting forms. Also, directors and officers must file an SEC Form 144 when selling Bank stock.

Prohibition against Short Selling of Bank Stock

No director, officer or employee, directly or indirectly, may sell any equity security, including derivatives, of the Bank if he or she (1) does not own the security sold, or (2) if he or she owns the security, does not deliver it against such sale (a "short sale against the box") within twenty days thereafter, or does not within five days after such sale deposit it in the mails or other usual channels of transportation. No director, officer or employee may engage in short sales. A short sale, as defined in this policy, means any transaction whereby one may benefit from a decline in the Bank's stock price. While employees who are not executive officers or directors are not prohibited by law from engaging in short sales of the Bank's securities, the Bank has adopted a policy that employees may not do so.

Full, Fair, Accurate, Timely and Understandable Disclosure

It is the Bank's policy to provide full, fair, accurate, timely, and understandable disclosures in all reports and documents that the Bank files with or submits to the SEC, as well as in all other public communications made by the Bank. In furtherance of this policy, the Audit Committee shall oversee as necessary, disclosure controls and procedures and internal controls for financial reporting. All executive officers, directors and employees shall comply with these controls and procedures to promote full, fair, accurate, timely, and understandable disclosures by the Bank.

Record-Keeping

The Bank requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many officers and employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your immediate supervisor.

All of the Bank's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Bank's transactions and must conform both to applicable legal requirements and to the Bank's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and you should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that could be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Bank's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please consult the Bank's General Counsel.

Competition and Fair Dealing

The Bank seeks to outperform our competition fairly and honestly. The Bank seeks competitive advantages through superior performance, never through unethical or illegal business practices. Stealing 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. Employees and officers should endeavor to respect the rights of and deal fairly with the Bank's customers, suppliers, competitors and employees. Employees and officers should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

Confidentiality

Employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Bank or its customers, except when disclosure is authorized by the Bank's Compliance Officer, General Counsel, or is otherwise legally mandated by laws or regulations. Confidential information includes all non-public

information that might be of use to competitors, or harmful to the Bank, its customers, or the Bank's employees, if disclosed.

The Bank's books, records and files are the property of the Bank. Employee access to such material is privileged and confidential and is allowable only upon the approval of the employee's supervisor. Such information can only be used in the best interests of the Bank. Employees cannot use such information for their own interest or the interests of any person other than the Bank.

In the conduct of ordinary business, employees have access to a variety of confidential personal and business information about the Bank, its customers, and its employees. Employees, officers and directors who have access to confidential information are obligated to safeguard it from unauthorized access and:

- Except as required to conduct normal business, are prohibited from divulging to internal or external parties, any confidential business or customer information that shall be kept confidential including, but not limited to, financial statements and other information provided with loan applications, payment status, account balances, and customer relationship data. Employees, officers and directors should exercise caution when discussing company business in public places where conversations can be overheard and recognize the potential for eavesdropping on cellular or cordless phones. See also, the Bank's Customer Information Security Policy.
- Shall maintain the confidentiality of private information affecting other employees including, but not limited to, personal and payroll data, benefit elections, loan application and performance information, performance appraisals, and continued employment status.
- Carefully protect and restrict information that could have an impact on the market for the holding company's securities such as quarterly earnings results, significant corporate announcements, or potential acquisitions to prevent insider trading.
- Keep vault combination numbers, system access codes, building entry alarm codes or passwords in strict confidence. Use of another employee's access code or password to process transactions is strictly prohibited. Employees are prohibited from sharing their access codes or passwords with other employees and may be held accountable for errors or fraudulent transactions committed by any other users of their confidential access codes. Employees are prohibited from processing transactions affecting their own personal accounts.
- Store confidential information securely during non-business hours. Measures to ensure proper safeguarding include building security and alarms, locks on personal computers, desks and file cabinets, and obtaining department head approval for the removal of materials for work at home.

There are certain circumstances in which disclosure of customer information is authorized or required. Disclosure to government authorities may be required when the information is sought through a valid subpoena or search warrant. Improper disclosure of information regarding subpoenas or the contents of subpoenas issued in criminal investigations may be a criminal offense and violators may be subject to fines or imprisonment or both.

An employee who directly or indirectly notifies a customer that his/her records have been requested by a grand jury or tells anyone named in the subpoena about it may have committed a crime. All requests for disclosure of Bank information to government authorities or questions regarding subpoenas or search warrants should be directed to the appropriate department manager and Bank counsel.

Any Bank information created in the course of your employment or service belongs to the Bank. The obligation to preserve confidential information continues even after your employment or service ends. Upon retirement or termination of employment or service, all written and tangible proprietary, confidential information must be returned to the Bank prior to or on your last day of employment or service.

In all such matters the Bank and its employees are bound by the Federal Right to Financial Privacy Act of 1978, Federal Reserve System Regulation S, and the Gramm-Leach-Bliley Act (see 15 U.S.C. 6801 et seq). For further reference see the Bank's Privacy Policy.

Political Contributions

Directors, officers and employees shall not use Bank funds for contributions of any kind to any political party or committee or to any candidate for, or holder of, any office of any government, national, state or local. This policy is not intended to restrict in any manner the use of personal funds for political contributions. Such personal use of funds will not be reimbursed by the Bank under any circumstances.

Customer Referral

Employees may be requested by customers of the Bank and the general public to provide a referral for professional services, such as attorneys, certified public accountants, insurance agents, and real estate agents. Employees shall, when approved by management, recommend several qualified sources from which the customer can select. Employees should not make any adverse or negative comments regarding any outside professional. If an employee cannot give a positive recommendation regarding the outside professional, the employee should indicate to the customer that he or she has no recommendation to give regarding the particular professional. If the employee does make a positive referral, it should be limited to a statement that he or she has heard good

comments regarding the professional but that neither he or she or the Bank can make any specific referrals or endorsements. Employees should exercise extreme care not to make any statement that could subject them or the Bank to an action for libel or slander.

In several instances, discussions with customers may lead to a request for an opinion or statement about the legality of a particular transaction. Employees are not qualified to give legal advice. The Bank does not engage in the business of giving legal or tax advice. These are areas that are best left to a professional in that particular field. Extreme care must be exercised in discussions with customers, and nothing should be said that could be construed as the giving of legal or tax advice. Additionally, except for officer or employees of Financial Services Center, nothing should be said that could be construed as the giving of investment advice.

Discrimination and Harassment

The diversity of the Bank's work force and management is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment or any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. For further direction, see the Bank's Employee Handbook.

Health and Safety

The Bank strives to provide a safe and healthful work environment. Everyone has a responsibility for maintaining a safe and healthy workplace 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 illegal drugs or alcohol in the workplace will not be tolerated. For further direction, see the Bank's Employee Handbook.

Protection and Proper Use of Bank Assets

All employees, officers and directors should endeavor to protect the Bank's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Bank's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Bank assets should not be used for non-Bank business purposes, unless otherwise authorized, though incidental personal use may be permitted.

General

Protecting the Bank's assets is a key fiduciary responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not misappropriated,

loaned to others, or sold or donated, without appropriate authorization. All Director, officer or employees are responsible for the proper use of Bank assets, and must safeguard such assets against loss, damage, misuse or theft. Directors, officers or employees who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any Bank asset may be subject to disciplinary action, up to and including termination of employment or business relationship at the Bank's sole discretion. Bank equipment and assets are to be used for Bank business purposes only. Directors, officers or employees may not use Bank assets for personal use, nor may they allow any other person to use Bank assets. Employees who have any questions regarding this policy should bring them to the attention of their supervisor.

Physical Access Control

The Bank has and will continue to develop procedures covering physical access control to ensure privacy of communications, maintenance of the security of the Bank communication equipment, and safeguarding Bank assets from theft, misuse and destruction. Officers and employees are personally responsible for complying with the level of access control that has been implemented in the facility where you work on a permanent or temporary basis.

Company Funds

Every Bank employee is personally responsible for all Bank funds over which he or she exercises control. Bank agents and contractors should not be allowed to exercise control over Bank funds. Bank funds must be used only for Bank business purposes. Every Bank officer, employee, agent and contractor must take reasonable steps to ensure that the Bank receives good value for Bank funds spent, and must maintain accurate and timely records of all expenditures. Expense reports must be accurate and submitted in a timely manner. Directors, officers or employees must not use Bank funds for any personal purpose.

Computers and Other Equipment

The Bank strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. You must care for that equipment and use it responsibly only for Bank business purposes. If you use Bank equipment at your home or off site, take precautions to protect it from theft or damage, just as if it were your own. If the Bank no longer employs you, you must immediately return all Bank equipment. While computers and other electronic devices are made accessible to employees to assist them to perform their jobs and to promote Bank's interests, all such computers and electronic devices, whether used entirely or partially on the Bank's premises or with the aid of the Bank's equipment or resources, must remain fully accessible to the Bank and, to the maximum extent permitted by law, will remain the sole and exclusive property of the Bank.

Directors, officers or employees should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic

communications device owned, leased, or operated in whole or in part by or on behalf of the Bank. To the extent permitted by applicable law, the Bank retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval. See the Bank's Ethics and Employee Conduct for Personnel Using Data Processing and Other Information Systems Policy

Software

All software used by officers and employees to conduct Bank business must be appropriately licensed. Making or using illegal or unauthorized copies of any software, whether in the office, at home, or on the road is prohibited, since doing so may constitute copyright infringement and may expose personnel and the Bank to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including termination. The Bank's COO will inspect Bank computers periodically to verify that only approved and licensed software has been installed. Any non-licensed/supported software will be removed. See the Bank's Ethics and Employee Conduct for Personnel Using Data Processing and Other Information Systems Policy

Use of email, voice mail and Internet services

E-mail systems and Internet services are provided to help you do your work. The misuse of these systems is strictly prohibited. Messages (including voice mail) and computer information are considered Bank property and there should not be any expectation of privacy. Unless prohibited by law, the Bank reserves the right to access and disclose this information as necessary for business purposes. Officers and employees should use good judgment and not access, send a message, or store any information that you would not want to be seen or heard by other individuals. Violation of these policies may result in disciplinary actions up to and including discharge from the Bank. See the Bank's Ethics and Employee Conduct for Personnel Using Data Processing and Other Information Systems Policy.

Proprietary Information

Officers and employees are obligated to protect the Bank's assets including its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information may destroy the information's value, harm the Bank's competitive position, or constitute breaches of agreements. It could also be illegal and result in civil or even criminal penalties.

The Bank's guidelines regarding treatment of proprietary information are:

- Proprietary information should be discussed with Bank employees only on a "need-to-know" basis.
- Unless someone with proper authority decides publicly to disclose proprietary information, disclosures to anyone outside the Bank should occur only in conjunction with an executed confidential disclosure agreement prepared by the Bank's General Counsel.
- Always remain alert to inadvertent disclosure of proprietary information, e.g., in social conversations or normal business relations with suppliers, customers and others.
- Do not accept proprietary information from third parties unless such information is subject to a written confidentiality agreement reviewed by the Bank's General Counsel.

While you must remain alert to the competitive environment and seek information with respect to the Bank's markets and its competitors, you must do so only by means that are lawful and ethical. You must never participate in illegal or improper acquisition of another's proprietary information. If you are approached with offers of such information, or with any information believed to have originated illegally or improperly, you must immediately refer the matter to the company's General Counsel.

Waivers of the 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 the Audit Committee with notice to the Board of Directors and will be promptly disclosed to the Bank's shareholders, as required by law or stock exchange regulation.

Waivers of this Code for employees should be authorized by the President of the Bank or the Audit Committee with notice to the Board of Directors.

Reporting any Illegal or Unethical Behavior

You are encouraged to talk to supervisors, managers or other appropriate personnel, including the Bank's Compliance Officer, General Counsel or the Director for Human Resources, about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation contact your immediate supervisor or the Bank's General Counsel. If a supervisor is a violator, contact the next supervisor in the chain of command and the Bank's General Counsel. If the General Counsel is the violator, contact the Bank's CEO. If the CEO or President is the violator, contact the General Counsel. Alternatively, you may anonymously report potential violations to the Audit Committee.

All employees, officers and directors should report violations of laws, regulations, rules, or this Code. It is the Bank's policy not to allow retaliation for reports of misconduct by others made in good faith by employees, officers and directors. You are expected to cooperate in internal investigations of misconduct.

Relative to the reporting of any crime or suspected crime, the CEO of the Bank must notify the Bank's Board of Directors concerning any SARs filed not later than its next regularly scheduled meeting following the filing of the report.

Exhibit A

Receipt and acknowledgment of the Code of Ethics

I acknowledge that I have received and read the Code of Ethics, dated January 23, 2014, and understand my obligations to comply with the Code of Ethics.

I understand that my agreement to comply with this Code of Ethics does not constitute a contract of employment.

Please sign here: _____ Date: _____

Please print your name: _____

This signed and completed form must be returned to the Director of Human Resources.