

ORRSTOWNBANK

Orrstown Financial Services, Inc. Orrstown Bank Whistleblower Policy

Policy	
Document Number:	
Applicable To:	Orrstown Financial Services, Inc., Orrstown Bank and all affiliates and subsidiaries
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Key Responsibilities	
Approval Authority:	Orrstown Financial Services, Inc. Board of Directors
Document Owner:	EVP, Chief Human Resources Officer [B Brobst]
Document Manager:	AVP, Corporate Risk Assessment & Audit Liaison Officer [M Boggs]
Executive Committee Member	EVP, Chief Human Resources Officer [B Brobst]
Approval of Non-material Changes:	Audit Committee
Approval of Exceptions to Policy:	Audit Committee
Compliance with Policy and Supporting Documents:	EVP, Chief Human Resources Officer [B Brobst]

Policy Overview

Orrstown Financial Services, Inc. (“Orrstown”, “OFSI”, “the Corporation”) has a responsibility to its shareholders for the safe and sound operation of the institution in a manner consistent with its guiding principles and to maximize shareholder value. OFSI also has a responsibility to the investing public to issue financial information that is accurate and reflects the results of operations and all activities during the period covered by its financial reports. Orrstown Bank is committed to compliance with the laws and regulations to which it is subject and to promulgating corporate policies and procedures which interpret these laws and regulations in its business environment.

Employees and others, including third parties such as customers and suppliers, are encouraged to use guidance provided by this policy for reporting all allegations of suspected improper activities. While the scope of this policy is intended to be limited primarily to ensuring compliance with all applicable securities laws and regulations, accounting standards, accounting and financial reporting controls, and audit practices, serious or substantial violations of corporate policy may constitute improper activities upon review or investigation. *Nothing in this policy precludes any employee from using the regular channels for resolving disputes or raising questions or concerns in the normal course of business.*

This policy does not fundamentally change the responsibility for the handling and investigation of employee complaints, but clarifies the interests and responsibilities of OFSI managers, the OFSI Audit Committee, the OFSI Disclosure Committee, OFSI’s Human Resources Department, and other outside parties. Individual employee grievances and complaints regarding terms and conditions of employment, and

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performance-related matters will continue to be governed by the applicable OFSI Human Resources policies. Any allegations of improper activities, as defined by this policy, which may result in subsequent actions or charges against a member or members of Orrstown's staff or management shall be coordinated with OFSI's Code of Conduct and other disciplinary policies. For matters surfaced under this policy, the OFSI Audit Committee retains the prerogative to determine when circumstances warrant an investigation and, in conformity with this policy, the appropriate investigative process to be employed and the parties within OFSI to be involved in any investigation. The investigator hearing the concerns will, at the Audit Committee's discretion, review pertinent documents, conduct interviews, and prepare a report on the matter. The Corporation will take action based upon the investigator's findings.

The Corporation will not tolerate harassment, retaliation, or any type of discrimination or adverse action against an employee who makes a complaint based on a reasonable belief about suspected company violations of law. Retaliation includes, but is not limited to, reprisal, threats of reprisal, personnel actions, harmful or threats of harmful personnel actions relating to rates of pay, promotions, benefits, personnel evaluations, or disciplinary or discriminatory actions of any type. Any employee who feels he or she has suffered an adverse action in retaliation for making a complaint based on a reasonable belief about suspected company violations of law should contact the Ethics Hotline by calling 844-990-0002 or go to www.lighthouse-services.com/orrstown to file a report. Complaints of alleged retaliation will be promptly addressed and, to the extent permitted by law and consistent with an effective investigation, be kept confidential.

Policy Statement

1 Whistleblower Protection

Officers, directors, employees, and agents of Orrstown Financial Services, Inc. and its affiliates are prohibited from taking any adverse or retaliatory action against any employee of the Corporation for any lawful act done by the employee in:

- providing information to, or otherwise assisting in an investigation conducted by a: (a) federal regulatory or law enforcement agency; (b) member or committee of Congress, (c) a person with supervisory authority over the employee; or (d) person authorized by the Corporation to investigate, discover, or terminate misconduct, when the information or investigation concerns conduct that the employee reasonably believes constitutes a violation of:
 - i. any rule or regulation of the U.S. Securities and Exchange Commission ("SEC");
 - ii. any provision of federal law relating to fraud against Corporation shareholders; or
 - iii. any federal criminal law provision prohibiting mail fraud, bank fraud, or fraud by wire, radio, or television;

Also included is the intentional or unintentional misrepresentation or misreporting of financial information in OFSI's financial statements filed with the SEC, the Corporation's primary regulator, or distributed to any independent party, including analysts assigned to track the performance of the Corporation. Misreporting of financial information extends to Orrstown Bank and encompasses officers and employees of Orrstown Bank and any other officer or employee who processes transactions or data that result in an accounting entry in the original books of record or in subsidiary records for off-balance sheet transactions.

- filing, testifying, or participating in any legal proceeding relating to an alleged violation of the laws described above; or
- providing to a law enforcement officer any truthful information relating to the commission or possible commission of a federal offense.

It is the expectation of the OFSI Board of Directors that any employee making a claim under the provisions of this policy will have a reasonable belief that improper activities have occurred and that such

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employee must be willing to provide, to the best of his or her ability, factual information supportive of such claim(s). By enactment of this policy, it is not the intention of the Board to supplant existing policy for handling matters of employee grievances or other employment matters. However, the Board realizes that in some cases the nature of a claim of wrongdoing may also involve improper activities encompassed in this policy statement. In such event, the employee may make simultaneous claims, in which case both will be evaluated individually on their merits.

2 Administration

The Board has delegated the authority to administer this policy to the OFSI Audit Committee. The Audit Committee may retain independent counsel to advise the Committee in matters related to the administration of this policy.

3 Procedures

Orrstown Bank provides a reporting hotline for employees to anonymously report incidents in respect to the following: Ethical Violations, Internal Controls, Bribery and Kickbacks, Violation of Company Policy, Theft and Embezzlement, Violation of the Law, Misuse of Company Property, Falsification of Contracts, Reports or Records, or other improper activity.

Reports can be made by any employee 24 hours a day, seven days a week by calling 844-990-0002 or by going to: www.lighthouse-services.com/orrstown. Calls are confidential and the identity of the caller will remain anonymous.

This service is being provided by Lighthouse Services, Inc.

4 Annual Review and Reporting

The Chair of the OFSI Audit Committee is responsible for reporting to the Board of Directors no less frequently than once per year, on any matters reported through the administration of this policy and the disposition thereof. Said report shall include a summary of all complaints filed, investigations undertaken, and decisions pursuant thereto and such other items as the Chair of the Audit Committee may deem appropriate.

Documents Associated With This Policy

none