

# ORRSTOWNBANK

## Orrstown Financial Services, Inc. Orrstown Bank

### Code of Ethics: Senior Financial Officers

Policy	
Document Number:	
Applicable To:	Orrstown Financial Services, Inc., Orrstown Bank, and all affiliates and subsidiaries
Renewal/New Approval Date (Board):	July 27, 2017
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Key Responsibilities	
Approval Authority:	Orrstown Financial Services, Inc. Board of Directors
Document Owner:	VP, HR/Talent Management
Document Manager:	VP, HR/Talent Management
Executive Committee Member	EVP, Chief Human Resources Officer
Approval of Non-material Changes:	Audit Committee
Approval of Exceptions to Policy:	Audit Committee
Compliance with Policy and Supporting Documents:	VP, HR/Talent Management

#### Policy Overview

It is the policy of Orrstown Financial Services, Inc., its subsidiaries, and affiliates (hereinafter referred to collectively as "the Company") that its Senior Financial Officers are held to the highest standards of honest and ethical conduct when conducting the affairs of the Company. Senior Financial Officers of the Company will not commit acts contrary to these standards of ethical conduct nor shall they condone the commission of such acts by others within the Company. For purposes of this Code, a Senior Financial Officer is defined as the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer or Controller, or persons performing similar functions.

The Company will not tolerate harassment, retaliation, or any type of discrimination or adverse action against an employee who makes a good faith report about suspected violations of the standards of this Code of Conduct for Senior Financial Officers, the Code of Conduct of this Company, and of all applicable governmental laws, rules, and regulations.

#### Policy Statement

## 1 General Standards of Ethical Behavior

Senior Financial Officers will:

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- Conduct their personal and professional affairs in an honest and ethical way, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Refrain from engaging in any activity that would compromise their professional ethics or otherwise prejudice their ability to carry out their duties to the Company in an objective and impartial manner.
- Communicate to executive management of the Company and to accountants engaged in financial audits of the Company, all relevant unfavorable, as well as favorable, information and professional judgments or opinions, including any departures from sound policy, practice, and accounting norms.
- Encourage open communication and full disclosure of financial information by providing a well understood process under which management is kept informed of financial information of importance.
- Ensure that all relevant staff members understand the Company's open communication and full disclosure standards and processes.
- Refrain from disclosing confidential information acquired in the course of their work, except where authorized, unless legally obligated to do so.
- Inform subordinates, as appropriate, regarding the confidentiality of information acquired in the course of their work and monitor, as needed, to ensure that subordinates maintain their confidentiality.
- Refrain from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage, either personally or indirectly through others.
- Comply with all applicable governmental laws, rules, and regulations.
- Promptly report violations of this Code to the Audit Chair, who is responsible for notifying the Executive Committee, internal and external auditors, and legal counsel.

## 2 Standards Regarding Financial Records and Reporting

Senior Financial Officers will:

- Establish appropriate systems and procedures to ensure that business transactions are recorded on the Company's books in accordance with Generally Accepted Accounting Principles (GAAP), established Company policies, and appropriate regulatory pronouncements and guidelines.
- Establish appropriate policies and procedures for the protection and retention of accounting records and information as required by applicable law, regulation, or regulatory guidelines.
- Establish and administer financial accounting controls that are appropriate to ensure the integrity of the financial reporting process and the availability of timely, relevant information for the safe, sound, and profitable operation of the Company.
- Provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with, or submitted to, the Securities and Exchange Commission and in other public communications made by the Company.
- Completely disclose all relevant information reasonably expected to be needed by the Company's regulatory examiners and internal and external auditors for the full, complete, and successful discharge of their duties and responsibilities.

## 3 Administration of the Code of Conduct: Senior Financial Officers

- 3.1 The Board of Directors has adopted this Code of Conduct for Senior Financial Officers and delegated, to the CEO and the Executive Committee of the Board of Directors, the responsibility for its administration throughout the Company. The CEO and Executive Committee are thus accountable for adherence to this Code.
- 3.2 Senior Financial Officers are responsible to be familiar with this Code of Conduct and to abide by the letter and spirit of its provisions at all times.
- 3.3 Any waiver or amendment of this Code may be made only by the Board of Directors and must be promptly disclosed to shareholders, along with reasons for a waiver. Consistent with applicable law, the Company must disclose such waivers and amendments in a Form 8-K filed with the Securities and Exchange Commission. The CEO is responsible for notifying the appropriate employee to file the Form 8-K.
- 3.4 The Code of Conduct for Senior Financial Officers is separate from and in addition to the Company's Code of Conduct for Directors, Officers, and Employees generally. Nothing contained in this Code of Conduct for Senior Financial Officers shall relieve any Senior Financial Officer from his or her duty to comply with the Code of Conduct for Directors, Officers, and Employees generally.
- 3.5 This Code is intended solely for the internal use of the Company and does not constitute an admission by or on behalf of the Company as to any fact, circumstance, or legal conclusion.

### Documents Associated With This Policy

- Acknowledgement and Agreement to Comply

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## ACKNOWLEDGMENT AND AGREEMENT TO COMPLY

I, the undersigned, hereby acknowledge my awareness of the Code of Conduct for Senior Financial Officers of Orrstown Financial Services, Inc. and its subsidiaries and affiliates, its contents and any amendments thereto. Further, upon review of said Code, I hereby certify that I understand its provisions and what they require of me as a Senior Financial Officer of Orrstown Financial Services, Inc. and its subsidiaries and affiliates.

Further, I hereby certify that by the setting of my hand to this instrument, I agree to comply in good faith with the provisions and the spirit of the aforementioned Code. I understand that a violation of this Code may result in the termination of my employment as an Officer of this institution.

Date \_\_\_\_\_

\_\_\_\_\_

Signature of Senior Financial Officer