



CORPORATE POLICY ON INSIDER TRADING

This Statement sets forth the policies of the Company on trading and causing the trading of securities while in possession of confidential information as approved and directed by the Company's Board of Directors. These policies apply to all (i) Directors of the Company; (ii) Officers of the Company [and its subsidiaries] of the level of Vice President and above; and (iii) specifically "Covered Persons" in accounting, finance, legal and other departments.

1. The Basic Policy—No Trading or Causing Trading While in Possession of Material Non-public Information:

- (a) No person associated with the Company may purchase or sell any security, whether or not issued by the Company, while in possession of material non-public information concerning the security. (The terms "material" and "nonpublic" are defined in Section 2 below.)
- (b) No person associated with the Company who knows of material nonpublic information may communicate that information to any other person if he or she has reason to believe that the information may be improperly used in connection with securities trading. Tipping is prohibited.
- (c) Covered Persons and certain related persons must "pre-clear" all trading in securities of the Company in accordance with the procedures set forth in Section 4 below.
- (d) No person associated with the Company may trade securities of a current or prospective business partner when the individual or the Company has been entrusted with material non-public information, until that information has been made public. Misappropriation of confidential information is prohibited.

2. The Law Against "Insider Trading"

One of the principal purposes of the federal securities laws is to prohibit so called insider trading. In recent years this has become a major focus of the enforcement program of the Securities and Exchange Commission and of criminal prosecutions brought by United States Attorneys.

(a) Application to Non-Insiders and to Securities Other Than Securities of the Company:

Prohibitions against "insider trading" apply to trades, tips, and recommendations by virtually any person—including all persons associated with the Company—if the information involved is "material" and "non-public." Thus, for example, the prohibitions would apply if you trade on the basis of material non-public information you obtain regarding the Company, its borrowers, customers, suppliers, or other companies with which the Company has contractual relationships or may be negotiating transactions. For compliance purposes, you should never trade, tip, or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and non-public unless you first consult with, and obtain the advance approval of, the Compliance Officer.

(b) Materiality:

Insider trading restrictions come into play only if the information you possess is "material." Materiality, however, involves a relatively low threshold. Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment

decision. Information dealing with the following subjects is reasonably likely to be found material in particular situations:

- Significant changes in the Company's prospects;
- Significant write-downs in assets or increases in reserves;
- Developments regarding significant litigation or government agency investigations;
- Liquidity problems;
- Changes or projections in earnings estimates/financial results[upward or downward] or unusual gains or losses in major operation;
- Major changes in management;
- Changes in dividends;
- Extraordinary borrowings;
- Award or loss of a significant contract;
- Changes in debt ratings;
- Proposals, plans, or agreements, even if preliminary in nature, involving significant corporate transactions such as: mergers, acquisitions, divestitures, recapitalizations, joint ventures, strategic alliances, licensing arrangements, or purchases or sales of substantial assets;
- Pending or proposed public offering or private placement of securities of the company or other financing for the company outside of the ordinary course of business;
- Pending or proposed repurchase or redemption of company securities;
- Major regulatory approvals or challenge
- Change in the company's independent registered public accounting or audit firm;
- The need to restate financial statements;
- Impending bankruptcy or liquidity problems; and
- Other events or developments that the company is required to disclose in a Form 8-K to be filed with the SEC.

These specified categories are illustrative but not exhaustive; and "material" information must be assessed at a given time; and "material" information can be positive or negative, and is not limited to information of a financial nature; rather, "material" information can relate to virtually any aspect of the company's business.

Further as to whether information is material, it must be evaluated in the context of all facts and circumstances at play at the time. Common standards for judging whether information is "material" include:

- whether a reasonable investor would consider the information important in making a decision to buy, sell or hold company securities;
- whether release of the information could produce a qualitative change to the package of information disclosed to the public by the company; and
- whether public disclosure of the information would be likely to have a significant effect on the market price of company securities.

(c) Public vs Non Public Information: Information is "nonpublic" if it has not been disclosed to the public. In order for information to be considered "public," it must be widely disseminated; for example, through:

- News wire releases;
- Widely available broadcasts on television and radio;
- Publication in widely available newspapers or news websites; or
- Wide public disclosure on the Company's Website
- Disclosure in the company's periodic reports filed with the SEC;

With respect to a future event, such as a merger, acquisition, or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small.

Non-Public Information insider trading prohibitions come into play only when you possess information that is material and "non-public." The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally. Even after public disclosure of information regarding the Company, you generally must wait a minimum of **two days** for the information to be absorbed by public investors before you can treat the information as public.

Non-public information may include:

- Information available to a select group of analysts or brokers or institutional investors;
- Undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
- Information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two or three days).

When in doubt about whether particular non-public information is material, exercise caution. Consult the Compliance Officer before making a decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates. Otherwise assume that the information is "non-public" and, therefore, treat it as confidential.

3. Severe Penalties for Violating Insider Trading Laws

Penalties for trading on or communicating material non-public information are severe, both for individuals involved in such unlawful conduct and their employers and supervisors. A person who violates the insider trading laws can be sentenced to a substantial jail term and required to pay a penalty of several times the amount of profits gained or losses avoided.

Moreover, Congress has passed insider trading legislation that, in a significant departure from prior law, explicitly empowers the Securities and Exchange Commission to seek substantial penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation. Section 32(a) of the Exchange Act also authorizes a court to impose fines of up to \$5 million and prison terms of up to 20 years on persons convicted of insider trading. If the defendant in such a criminal action is an entity, a court may impose a fine of up to \$25 million.

Given the severity of the potential penalties, compliance with the policies set forth in Section 1 of this Statement is absolutely mandatory, and noncompliance is a ground for dismissal. Exceptions to these policies, if any, may only be granted by the Compliance Officer and must be provided before any activity contrary to the above policies takes place.

4. Preclearance of Securities Transactions:

Because Covered Persons are likely to obtain material non-public information on a regular basis, the Company requires all such persons to pre-clear all purchases and sales of the Company securities in accordance with the following procedures:

- (a) Subject to the exemption in part "(d)" below, no Covered Person may, directly or indirectly, purchase or sell any security issued by the Company without first obtaining prior approval from the Compliance

Officer. These procedures also apply to transactions by such person's spouse, other persons living in such person's household and minor children, and to transactions by entities over which such person exercises control.

(b) The Compliance Officer shall record the date each request is received and the date and time each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading two business days following the day on which it was granted.

(c) Requests are most likely to be approved for trading that is to occur in the following "window periods":

(i) The 30-day period beginning one week after the annual report has been mailed to shareholders, provided that the report adequately covers important corporate developments and no new major undisclosed developments occur within that period;

(ii) A period from two days to ten days following a release of quarterly results or as otherwise prescribed by law, which includes adequate comment on new developments during the period;

(iii) Following the wide dissemination of information on the status of the Company and current results; and

(iv) At those times when there is relative stability in the Company's operations and the market for its securities.

(d) Preclearance is not required for purchases and sales of securities under a preexisting written plan, contract, instruction, or arrangement that:

(i) Has been reviewed and approved at least one month in advance of any trades there under by the Compliance Officer (or, if revised or amended, such revisions or amendments have been reviewed and approved by the Compliance Officer at least one month in advance of any subsequent trades);

(ii) Was entered into in good faith by the Covered Person at a time when the Covered Person was not in possession of material non-public information about the Company; and

(iii) Gives a third party the discretionary authority to execute such purchases and sales, outside the control of the Covered Person, so long as such third party does not possess any material non-public information about the Company; or

(iv) Explicitly specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions. With respect to any purchase or sale under a pre-arranged trading plan as described above, the third party effecting transactions on behalf of the Covered Person should be instructed to send duplicate confirmations of all such transactions to the Compliance Officer.

(v) Does not permit the insider to exercise any subsequent influence over how, when, or whether to effect sales or purchases, and any person who does exercise such influence is not aware of material, non-public information when doing so.

5. Prohibited Transactions

Any director or executive officer of the Company is prohibited from, directly or indirectly, purchasing, selling, or otherwise acquiring or transferring any equity security of the Company during a blackout period that temporarily prevents plan participants or beneficiaries from engaging in equity securities transactions through their plan accounts if the director or executive officer acquired the security in connection with his or her service or employment as a director or executive officer.

Officers, Directors, Employees and "Covered Persons," including such person's spouse, other persons living in such person's household, and minor children and entities over which such person exercises control, are prohibited from engaging in the following transactions securities of the Company unless advance approval is obtained from the Compliance Officer:

(a) Short-term trading. Persons associated with the Company who purchase its securities must retain such securities for at least six months.

- (b) Short sales. Persons associated with the Company may not sell the Company's securities short.
- (c) Options trading. Persons associated with the Company may not buy or sell puts or calls on the Company's securities.
- (d) Trading on margin. Persons associated with the Company may not trade on the margin the Company's securities.
- (e) Any trading on misappropriated non-public information from entities with which we do business acquired in the course of the Company's business.

5. Blackout Periods and Trading Windows:

Blackout Periods: Officers, Directors, Covered Persons and especially special insiders due to their enhanced access to material nonpublic information concerning the company, are prohibited from trading in company securities during the following periods:

(a) The company's regularly scheduled quarterly blackout period (typically commencing at the close of the market on or around the 10th business day prior to the end of each fiscal quarter and ending two business days after the company's "earnings release" is issued to the public relating to the company's financial information for the concluded fiscal quarter) and

(b) The special blackout periods instituted by the company on a discretionary basis, upon notice to affected individuals, when news of pending material events or other material nonpublic information regarding the company that is anticipated to be disclosed has not yet been publicly disclosed. Individuals subject to blackout trading restrictions are generally permitted to trade when no blackout period is in effect; provided, however, that even during an open trading window, a person who is aware of material nonpublic information may not trade in company securities until the information has been made publicly available as described above, or is no longer material, assuming no other exemption or exception applies.

Pre-Clearance and Trading Windows: Officers and Directors and Special Insiders (including family members and other members of their respective households) shall obtain prior clearance from the company Compliance Officer before buying, selling or engaging in any transaction in company securities (subject to specified exceptions such as trades under a Rule 10b5-1 plan approved by the company). This pre-clearance requirement will enable the company to analyze whether the proposed transaction raises insider trading concerns or other concerns under the federal or state securities laws and regulations. The permitted trading window is from and between two days to ten days after the public release of quarterly earnings, subject possession of material non-public information.


ACKNOWLEDGEMENT AND CERTIFICATION

All Officers, Directors and Covered Persons are required to sign this acknowledgment and certification: The undersigned does hereby acknowledge receipt of the Company's Statement of Policy regarding trading on material non-public information. The undersigned has read and understands (or has had explained) such Policy and agrees to be governed by such Policy at all times in connection with the purchase and sale of securities and the confidentiality of non-public information.

(Signature) _____ Date _____

Print Name

As approved by the Board of Directors on February 10, 2017



David Bingaman, Secretary