



Community  
Heritage  
Financial, Inc.

**COMMUNITY HERITAGE FINANCIAL, INC.  
CODE OF ETHICS FOR DIRECTORS, OFFICERS,  
AND EMPLOYEES**

**April 2024**



Middletown  
Valley Bank.

Community Heritage Financial, Inc. Companies

## PURPOSE AND OBJECTIVES

This Code of Ethics is a statement of our expectations for organizational and individual conduct by the directors, officers, and employees of Community Heritage Financial, Inc. and its subsidiaries Middletown Valley Bank and Millennium Financial Group, Inc. (individually and collectively, the “Company”). The purpose of the code is to set forth the ethical standards and standard of business conduct that the Company expects its directors, officers, and employees to adhere to in the performance of their duties and responsibilities to the Company.

## GENERAL

The Company recognizes that no code or policy can address every legal and ethical issue that its directors, officers, and employees may confront in carrying out their duties. While this code is intended to establish basic principles to guide you in making ethical decisions, you are also expected to comply with all applicable laws, rules, and regulations, as well as other applicable Company policies and procedures. Further, some of the provisions of this code will not be applicable to every person covered by it, depending on their particular position with the Company. In all situations, including those where there are no applicable legal principals or the law is unclear or in conflict, directors, officers, and employees of the Company are expected to conduct themselves in such a manner that can be supported by the Company, and to exercise good judgment in the discharge of their responsibilities.

Please address any questions about the code or its application to your immediate supervisor or an appropriate member of management or the Company’s Chief Risk Officer.

At least annually, the Company will require all directors, officers, and employees to sign an acknowledgement that they have read and understand, and agree to comply with the provisions of, this code.

In fulfilling their duties to the Company, all directors, officers, and employees of the Company shall, within the scope of their duties:

- Conduct themselves honestly, ethically, and with candor, including the ethical handling of actual or apparent conflicts of interest and complying with the spirit, as well as the letter, of the law.
- Use corporate assets and resources employed by or entrusted to you in a responsible manner, and only in furtherance of the Company’s legitimate business interests.
- Treat one another with respect, dignity, and in a professional and business-like manner in order to value the diversity of the Company’s workforce, customers, and communities it serves.
- Accept accountability for ethical decisions and actions and report concerns or observed or suspected violations.
- Maintain the confidentiality of customer and other information learned in the course of employment (other than as permitted under Section 7 of the National Labor Relations Act) or service to the Company.

- Maintain detailed and accurate records and accounting information.
- Comply with all internal control procedures established by the Company for the safeguarding of assets and proper reporting and disclosure of financial information.
- Provide honest and candid information when dealing with the Company's independent and internal auditors, regulators and legal counsel.

Nothing in this Code is intended to limit or interfere with employees discussing their compensation, and non-supervisory employees discussing any other terms and conditions of their employment, including their wages and the Company's employment-related policies and practices. Nor should anything else in this code be interpreted to interfere with any other employee rights under Section 7 of the National Labor Relations Act. Employees will not be subject to any adverse action (i.e., discipline or termination) as a result of discussing such matters.

## **CONFLICTS OF INTEREST**

Directors, officers, and employees should conduct their personal and professional affairs in a way that avoids both real and apparent conflicts between their interests and those of the Company. A conflict of interest arises when an individual's personal or professional interests interfere, or even just appear to interfere, with the interests of the Company. A conflict of interest may arise when a director, officer, or employee takes actions or has personal interests that may make it difficult to perform his or her duties to the Company objectively and effectively. Note, however, that conduct protected under Section 7 of the National Labor Relations Act, including discussing the terms and conditions of your employment (including, for example, any discussion of wages and other terms and conditions of employment, such as the Company's employment-related policies and practices), will not be considered a conflict of interest for purposes of this code.

Examples of situations that may create a conflict of interest include: (i) conducting Company business on the basis of friendship, family connections, or gift giving; (ii) making a personal, monetary investment that could reasonably affect one's ability to make objective business judgments; (iii) accepting employment or a directorship position with another company; and (iv) causing the Company to conduct business with an entity in which the individual in question has an interest or from which he or she may derive a benefit. Some of these are discussed further below.

Anything that would present a conflict for a director, officer, or employee would likely also present a conflict if it were related to a member of his or her family.

### **Self-Dealing/Corporate Opportunity**

Directors, officers, and employees of the Company have a duty to protect and promote the business interests of the Company. Directors, officers, and employees are prohibited from taking advantage of a business opportunity for their own, or for another person's, personal profit or benefit when the opportunity is within the corporate powers of the Company or when the opportunity is of present or potential practical advantage to the

Company (i.e., the Company is currently engaged in such activity or the activity is under consideration by the Company), or if such opportunity is discovered through their position with the Company, unless the Company has already been offered, and rejected, such opportunity.

Further, directors, officers, and employees of the Company must never use their position with the Company to influence public officials or others for their personal benefit or for the benefit of another party. Likewise, employment with the Company should not be used as leverage to gain favors from customers or suppliers. In addition, directors, officers, and employees may not compete with the Company or use the Company's property or information for their personal benefit.

### **Signing on Customers' Accounts**

To avoid the appearance of a conflict, directors, officers, and employees of the Company should not sign on customer accounts, have access to their safe deposit boxes, or otherwise represent customers. This does not include situations where a director, officer, or employee acts in an ownership capacity or because of a close family relationship.

## **GIFTS, GRATUITIES, AND BUSINESS ENTERTAINMENT**

Company directors, officers, and employees (and their immediate family) may not, without the Company's approval, solicit, accept, or agree to accept for themselves or a third party (other than the Company) anything of value from anyone in return for any business, service, or confidential information of the Company, as an inducement to provide products or services, or from anyone doing or seeking to do business with the Company, except as expressly permitted under this code.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No such gift, entertainment, or payment should be offered, given, provided, or accepted by any director, officer, employee, or family member thereof unless it: (i) is not a cash gift; (ii) is consistent with customary business practices; (iii) is not excessive in value; (iv) cannot be construed as a bribe or payoff; and (v) does not violate any applicable law, rule, or regulation.

### **Exceptions to the above general prohibition regarding the acceptance of things of value include:**

- Acceptance of gifts, gratuities, amenities, or favors based on family or personal relationships (such as those between the parents, children, or spouse of a Bank officer or employee) where circumstances make it clear that those relationships, rather than the business of the Company, are the motivating factors.
- Acceptance of meals, refreshments, travel arrangements, accommodations, or entertainment, all of reasonable value and in the regular course of a meeting or

other occasion, the purpose of which is to hold bona fide business discussions or to foster better business relationships, provided that any such expenses would have been a legitimate business expense paid for by the Company if not paid for by another party.

- Acceptance of loan and other services from other banks or financial institutions on customary terms to finance proper and usual activities, such as home mortgage loans, automobile loans, or other consumer-purpose loans and financial and advisory services, except where prohibited by law.
- Acceptance of advertising or promotional material of nominal value, such as pens, pencils, note pads, key chains, calendars, and similar items.
- Acceptance of discounts or rebates on merchandise or services that do not exceed those available to other customers.
- Acceptance of gifts of reasonable value related to commonly recognized events or occasions, such as a promotion, new job, wedding, birth, retirement, holiday, or bar mitzvah, provided that the total value of all such gifts given by the same person or organization to any director, officer, or employee does not exceed \$300 during any calendar year.
- Acceptance of civic, charitable, educational, or religious organizational awards for recognition of service and accomplishment.

On a case-by case basis, the Company may approve of other circumstances, not identified above, in which a director, officer, or employee may accept or keep something of value provided in connection with the Company's business or that otherwise conflicts with the provisions set forth above, provided that such approval is consistent with applicable laws, rules, and regulations. Directors, officers, and employees that wish to request such approval, or that are uncertain as to the propriety of a gift under the code, must seek written approval from the Chief Risk Officer before accepting (or, if delivered without an opportunity to accept or reject, before keeping) it. The request should be in writing and should state all relevant facts.

## **HANDLING OF CONFIDENTIAL INFORMATION**

During the course of performing Company-related duties, directors, officers, and employees may hear or acquire a great deal of confidential information about the Company, including, but not limited to, present and prospective customers, suppliers, stockholders, and other staff members. Directors, officers, and employees must maintain the confidentiality of all information so entrusted to them and shall not disclose confidential information to anyone except when necessary and appropriate in the course of fulfilling their responsibilities to the Company, as otherwise legally required, or in accordance with employee rights under Section 7 of the National Labor Relations Act.

Directors, officers and employees who are authorized in accordance with this code to reveal confidential information to another must specifically designate such information as

confidential and are never to use confidential information acquired through their position with the Company for unethical or illegal advantage, either personally or indirectly through others.

Directors, officers, and employees shall endeavor to avoid inadvertent disclosure of confidential information. Documents of a confidential nature are not to be left lying on a desk or work area when not in direct use. If particularly sensitive information is involved, additional precautions should be taken. If possible, avoid using file names that might disclose confidential information. Confidential files should be kept in a locked compartment or other secure place.

If it is necessary to carry sensitive information off premises, such as in a temporary remote work situation, due care should be taken to protect its security. Care also should be taken not to disclose any matter of a confidential nature on public conveyances, in restaurants, or in other public places where the conversation might be overheard.

These obligations continue after a director's, officer's, or employee's separation from the Company, whether through termination or otherwise. After such separation of service, a former director, officer, or employee may not take any material or media from the Company without permission from an executive officer.

Nothing in this code, however, prohibits a current or former director, officer, or employee from reporting possible violations of law or regulation to any government agency, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, or communicating with government agencies or otherwise participating in any investigation or proceeding that may be conducted by any government agency, or limits their right to receive an award for information provided to any government agencies. In addition, nothing in this code shall be understood to limit or prohibit employees from engaging in discussions or communications protected by the National Labor Relations Act.

Any request for information regarding past or present officers and employees must be referred to Human Resources.

## **DISCLOSURE OF CORPORATE NEWS AND INFORMATION**

Each director, officer, and employee involved in the Company's disclosure process, including the Chief Executive Officer, President, Chief Financial Officer, and Chief Accounting Officer (or those persons serving in comparable positions or those persons that may be so designated from time-to-time), is required to be familiar with, and comply with, the Company's policies, procedures, and internal controls governing financial and other reporting, to the extent relevant to his or her area of responsibility, so that the Company's public statements and documents filed with applicable regulatory agencies comply in all material respects with applicable laws, rules, and regulations, and are accurate and complete.

In order to ensure that all disclosure of information relating to the Company is accurate and in full compliance with applicable laws, rules, and regulations, it is Company policy that all such disclosures shall be made only through established channels. Unless specifically authorized to do so, no Company director, officer, or employee may discuss Company business with securities analysts, media representatives, investors, government officials, pension plan or similar fund administrators, or other outside persons. All media and other inquiries regarding the Company should be referred to the Company's President and CEO.

## **COMPLIANCE WITH LAWS, RULES, AND REGULATIONS**

Directors, officers, and employees shall be familiar with, comply with, and, within the scope of their duties, ensure the Company's compliance with, all applicable federal, state, and local laws, rules, and regulations, as well as Company procedures. These laws, etc., include, but are not limited to, federal and state banking, employment, and occupational safety laws, as well as criminal laws governing fraud, bribery, embezzlement, conversion, and conflicts of interest, and competition and antitrust laws. Any questions or concerns regarding this matter should be discussed with a supervisor, an appropriate member of management, or the Chief Risk Officer.

## **INSIDER TRADING**

Company directors, officers, and employees are prohibited from trading in the Company's securities, including its common stock, while in possession of material, non-public information about the Company or such securities. Company personnel who have access to confidential information are not permitted to use or share that information for any purpose except the conduct of Company business. Non-public information regarding the Company is confidential and is to be appropriately safeguarded as otherwise discussed in this code. Any use of non-public information for personal financial benefit or to "tip" others who might make an investment choice based on this information is both unethical and illegal. The Company has a separate insider trading policy that provides more detailed information.

## **COMPETITION AND FAIR DEALING**

It is against Company policy to attempt to win or retain business relationships based on unethical or illegal activities. Each director, officer, and employee should endeavor to deal fairly with the Company's customers, strategic partners, service providers, suppliers, competitors, and employees, and shall not attempt to obtain an unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

## **EQUAL EMPLOYMENT; DISCRIMINATION; HARASSMENT**

It is Company policy, in compliance with applicable federal, state, and local laws, to recruit, hire, promote, transfer, assign job responsibilities, demote, and terminate employees in compliance with all applicable equal opportunity and anti-discrimination laws and without regard to race, religion, ancestry, age, national origin, place of birth,

gender, sexual orientation, disability, or any other category protected by federal, state, or local law.

The Company strictly prohibits sexual harassment or any other form of harassment or intimidation and will comply with all state, local and federal laws regarding harassment of employees in the workplace. This includes harassment or intimidation directed by or toward fellow co-workers, supervisors, customers, or vendors. The Company will not tolerate any type of harassment or discrimination, including harassment or discrimination based upon an individual's race, gender, religion, sexual orientation, or other trait or characteristic.

If any Company director, officer, or employee believes that they or any other person has been the target of sexual or other unlawful harassment or discrimination, they should report such conduct immediately to their supervisor or to the Chief Risk Officer. The Company will investigate the allegations and take appropriate remedial action if it determines that such action is appropriate. All complaints will be kept confidential to the maximum extent possible. The Company will not retaliate against any employee who reports allegations of unlawful harassment or who participates in the investigation of such allegations.

## **REPORTING AND ACCOUNTABILITY; NON-RETALIATION**

The Human Capital Management Committee of the Board of Directors of Community Heritage Financial, Inc. has ultimate responsibility, in consultation with the Chief Risk Officer, for applying this code to specific situations in which questions are presented to it and has the authority to interpret the code with respect to any particular situation.

Any director, officer, or employee who becomes aware of any existing or potential violation of this code must immediately notify their immediate supervisor, the Chief Risk Officer, or the Chairperson of the Human Capital Management Committee, and supervisory personnel who receive such reports should report them to the Chief Risk Officer or the Chairperson of the Human Capital Management Committee. The Board of Directors or a committee thereof will investigate all reported potential violations. All such reports and any related discussions will be kept confidential to the maximum extent possible.

Retaliation against any director, officer, or employee who in good faith reports violations or potential violations of this code, whether internally or to applicable law enforcement or regulatory agencies or assists in any investigation or proceeding regarding conduct reasonably believed to be a violation or potential violation of this code, is absolutely prohibited. Such retaliation includes any form of adverse treatment or retribution, including but not limited to discharge, demotion, suspension, threats, harassment, or any other manner of discrimination in employment, or encouraging others to do so.

The Company will take appropriate administrative actions against individuals when an allegation of a code violation or other misconduct has been substantiated. Violators of this code will be subject to appropriate disciplinary action, up to and including termination, depending on the specific circumstances surrounding the violation, including the level of the individual's involvement and knowledge and the severity of the violation.

## **ACKNOWLEDGEMENT**

I have received, reviewed, and agree to comply with the Community Heritage Financial, Inc. Code of Ethics (the "Code"), including any amendments thereto. I have read and I understand the Code, including my duty to report violations and potential violations. I understand that if I have questions regarding the Code or other similar concerns, I may contact internal Company personnel or the Chief Risk Officer for clarification.

I understand that if I violate the Code, I am subject to disciplinary action up to and including termination of employment. I further certify that, as of the date hereof, I am not aware of any violations of the Code that have not been reported as set forth in the Code.

Employee: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_