

purpose & scope.

Banking entails the safekeeping of customer's money. There is no profession where honesty, integrity, and high standards of conduct are more important. BankProv has established this Ethics Policy to provide all Directors, Officers, and employees of the Bank with general guidance in fulfilling their ethical responsibilities. This Ethics Policy supplements and is in addition to all other policies, procedures, laws and regulations governing the Bank's activities. Each Director, Officer, or employee of the Bank is responsible for complying with and adhering to the Bank's policies and procedures and applicable laws and regulations.

This policy addresses matters such as conflicts of interest, use of insider information, rules on gifts and gratuities, fees, legacies, loans and investments; and improper influence on the conduct of audits. However, in the exercise of your duties you may come across unanticipated ethical questions. If you have any questions about how to apply this policy or other ethics-related questions, you should raise them with your supervisor or Human Resources.

To uphold this Ethics Policy, and subject to exceptions as may be provided by applicable law or regulation, **it is essential and mandatory that all Officers and employees of BankProv report their own and those actions of others associated with the Bank that do not uphold the legal and ethical commitments outlined in this policy.** A duty to report can be fulfilled by making a report with a manager or Human Resources, or by following reporting guidance directed in the Bank's whistleblower policies. Reports can be placed anonymously.

Officers or employees who violate this policy are subject to disciplinary action up to and including immediate dismissal. The Board will also consider the necessity of removal of any Director who violates this policy. Depending on the severity of the violation, the Director, Officer, or employee may also be subject to prosecution.

requirements.

conflicts of interest.

Our Directors, Officers and employees have a duty of loyalty to the Bank and must therefore avoid any actual or apparent conflict of interest with the Bank. A conflict situation can arise when a Director, Officer, or employee takes an action or has an interest that may make it difficult to perform his or her duties objectively and effectively. Conflicts of interest may also arise when a Director, Officer, or employee, or a member of his or her family, close personal contacts, or a business affiliated with him or her, receives improper benefits as a result of the Director, Officer, or employee's business position with the Bank. Directors, Officers and employees of the Bank must avoid such conflicts of interest, or even the appearance of such conflicts of interest. It is not possible to specify every action that might create a conflict of interest, and Directors, Officers, and employees should report apparent conflicts of interest even when unsure whether they rise to the level of an actual conflict of interest.

Bank Directors, Officers, and employees are obligated to disclose the existence or potential existence of a conflict of interest as they arise; although an annual disclosure is required, it is not permissible to wait until the annual disclosure to disclose actual or apparent conflicts of interest. It is important to note that the disclosure of an actual or apparent conflict of interest does not reflect on the likelihood that the discloser would allow an outside

interest to influence their professional judgment or use their Bank position to gain an unwarranted advantage for an outside or internal interest.

Bank Officers and Directors will fully divulge to the Board of Directors any actual or apparent conflict of interest, including, but not limited to, their involvement, directly or indirectly, with any loans being made by the Bank. This specifically includes, but is not limited to, loans made to business trusts, business associates, or insiders of other banks with whom the Officer or Director has any form of a business arrangement. If the Officer or Director will directly or indirectly benefit from the loan, the specifics of his or her involvement in the loan must be submitted in writing to the Board prior to any vote. An Officer or Director must play no part in the origination, underwriting or approval of any such loan. A Bank Officer should commence the disclosure process by filing a Conflict of Interest Disclosure form prior to the submission of the loan for consideration for approval. See Appendix A.

These rules also apply to any employee who has an actual or apparent conflict of interest, although a Bank employee who is not an Officer or Director should report the conflict using the Conflict of Interest Disclosure form or contacting Human Resources.

A conflict of interest would also arise when a Director, Officer, or employee represents any individual or entity in a transaction that may be considered adverse to the interests of the Bank. The specifics of any such involvement must be submitted in writing to the Board (or in the case of a non-Officer employee of the Bank, the employee's supervisor) for approval prior to engaging in the representation.

A Bank Director, Officer, or employee should not represent the Bank in any transaction in relation to which such Director, Officer, or employee has a material connection or a financial interest. Examples of material connections would include the involvement of relatives or close personal friends, whether the transaction involves them as individuals or as principals in a firm doing business with the Bank. An example of a financial interest would be an Officer's or Director's involvement as a director, proprietor, partner, or joint venture participant in or with a firm doing business with the Bank. For purposes of this paragraph, "transactions" include not only of making loans, but also about approval of overdrafts, accepting checks on uncollected funds, waiving overdraft or late charges, and waiving the requirement for financial statements or collateral documents. When there is a potential conflict of interest, someone in the Bank who does not have a conflict should handle the transaction.

Bank employees that are engaged in buying or selling securities for the Bank's investment portfolio should not buy or sell securities for their personal account from the same firm.

A Bank employee should not accept a directorship of another corporation without approval of Bank management. Charitable and non-profit organizations are exceptions to this requirement, although the rules about transactional conflicts of interest apply fully to charitable and non-profit organizations.

Before running for political office, Directors must notify the Chairman of the Board, and Officers or employees must notify Human Resources to ensure that no conflict of interest exists.

bank and customer information.

While performing their job duties, Bank Directors, Officers, and employees have access to certain trade secrets and other proprietary information relating to the business, personnel, customers and vendors of the Company ("Confidential Information"). Confidential information of the Bank or the Bank's customers may not be used by Bank Directors, Officers, employees, or representatives to

advance their personal interest. This means that Confidential Information may not be used for any non-Bank purposes, including any unauthorized disclosure to a third party. Among other things, such information should not be used for personal investment advantage or be provided to others for their investment advantage. This is a type of conflict of interest. Disclosures protected by law (e.g. bona fide whistleblower complaints made to appropriate government agencies) are not considered violations of this section.

Consistent with the above, it is prohibited for any Bank Director, Officer, or employee to trade in the securities of the Bank or any organization with which the Bank has dealings, except in compliance with the relevant securities laws that regulate insider trading, use of non-public information, and trading in securities generally.

nepotism and fraternization.

Due to the potential for perceived or actual conflict of interest, Officers and employees of the Bank will not be allowed to supervise or be supervised by family members or close personal contacts as defined below. Directors, Officers, and employees are not permitted to occupy a position in which they can initiate or participate in decisions involving a direct benefit to the family member or close personal contact, including:

- Hiring
- Retention
- Transfer
- Promotion
- Compensation
- Requests for Leave of Absence(s)

For this policy, the definition of family member or close personal contact includes:

- Spouse or Domestic Partner
- Parent or Grandparent
- Siblings/Step-Sibling
- Child, Stepchildren, Grandchildren
- Aunt, Uncle
- First cousin
- Nephew, Niece
- In-law(s) (mother, father, son, daughter, sister, or brother)
- The spouse of any of the above
- Other individuals who are members of the employee's household (considered a *close personal contact*)

To ensure that appropriate mitigating steps can be taken, all Directors, Officers, and employees must report any family members or close personal contacts within the Bank.

Not all such cases will require any mitigating steps, however, it is your duty to report to BankProv any and all family members or close personal contacts within the Bank as defined in this policy. Directors must report any family members or close personal contacts within the Bank to the Chairman of the Board. Officers and employees are required to report any family members or close personal contacts within the Bank to Human Resources. Such relationships must be reported at onboarding, when they arise, and in the annual disclosure process, and should be reported through the Conflict of Interest Disclosure form at Appendix A.

Fraternization is the interaction between co-workers that extends beyond business relationships. As noted in the previous section, spouses and domestic partners within the Bank are subject to reporting. **Other reportable workplace relationships include dating, cohabitation (whether or not the individuals involved consider themselves part of the same household), or any other relationship that creates the appearance of, or an actual, conflict of interest.** If such relationships exist or develop, it is the responsibility of the individual(s) to report the existence of such relationship to their manager and Human Resources. Not all such cases will require any mitigating steps.

Romantic relationships between Directors, Officers, or employees, especially when the individuals involved are in a manager and subordinate relationship, or co-workers in the same department, can create the appearance of or actual conflicts of interest or favoritism. In addition, they may negatively affect performance and can cause concerns for morale. Romantic relationships, even when initially consensual, have the potential to cause workplace issues if the relationship ends unhappily. BankProv prohibits workplace relationships of a romantic nature between managers and subordinates.

BankProv expects employees to use good judgment and maintain the highest legal and ethical standards to guide actions appropriately.

rules on gifts and gratuities, fees, legacies, loans and investments.

Bank policy forbids any Director, Officer, employee, or other representative of the Bank (such as its attorneys or agents) from (1) soliciting for themselves or a third party anything of value from anyone in return for any business, service or confidential information of the Bank; or (2) accepting anything of value from anyone in connection with the business of the Bank, either before or after a transaction is discussed or consummated. Further, if any individual is offered something of value from a customer beyond what is expressly authorized in this policy, the individual must disclose the facts of the offer to their supervisor or Human Resources immediately. Consistent with this general rule, the following, non-exclusive list of specific principles should be kept in mind:

1. A Bank Director, Officer, or employee should not accept a loan from a Bank customer or supplier. All loans from banks or other financial institutions must be underwritten consistent with standard procedures and made with customary terms to finance proper credit needs. The Bank requires that Senior Officers report all their borrowings from other financial institutions to the Board of Directors.
2. A Bank Director, Officer, or employee should not receive anything of value for making a loan.
3. A Bank Director, Officer or employee should not accept a fee for performing any act that the Bank could have performed.
4. It is improper for a Director, Officer, or employee to accept cash from a customer or from any other person seeking a relationship with the Bank.
5. It is improper for a Bank Director, Officer, or employee to accept a gift from a customer or from any other person seeking a relationship with the Bank. This rule does not apply to (a) food, refreshments or entertainment at luncheons or business meetings; (b) advertising or promotional material of nominal value; (c) awards from charitable organizations; or (d) gifts of reasonable value that are related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, holiday, birthday, or other similar event.
6. A Bank Director, Officer, or employee should not sell anything to a customer at a value in excess of its worth nor should he purchase anything from a customer at a price below its worth

(acceptance of discounts or rebates of merchandise is permitted if they are also available to other routine customers of the firm).

7. A Bank Director, Officer, or employee should not indirectly perform any act that these rules prohibit directly. For example, it is just as wrong to arrange for a member of the family to receive a gift as it is for the Director, Officer, or employee to accept the gift directly.
8. It is prudent to refrain from investing in a Bank customer's business, and it is improper for a Bank Director, Officer, or employee to subscribe to new issues of stock in a Bank customer's business.

Attempted bribes shall be reported to the President immediately. The President will then notify the Board of Directors of the incident. Appropriate action will be taken, and written records will be kept for each case. Written records will also be kept by the Clerk of the Corporation on all waivers granted to this policy statement.

improper influence on conduct of audits.

No Bank Director, Officer or employee, or anyone acting under their direction, may mislead, coerce, manipulate, or fraudulently influence a registered independent public accounting firm preparing an audit report for the purpose of rendering it materially misleading. Similarly, it is prohibited for any Bank Director, Officer, or employee, or anyone acting under their direction, to attempt to mislead, coerce, manipulate, or fraudulently influence any internal audit.

oversight & responsibility.

ethics certifications.

Every Director, Officer, and employee must sign an ethics certification, including a Conflict of Interest disclosure, upon the individual's term of office or employment, and must do so annually. See Appendix A. Management has discretion to require similar certifications of other representatives of the Bank, such as agents or attorneys. Failure by any person to sign such a certification has no bearing on the applicability of this policy to that person.

investigations of ethics matters.

When a potential conflict of interest or other ethics-related matter is disclosed, the Board or management, will, as appropriate, provide the individual with an opportunity to disclose all material facts.

For all matters requiring disclosure to the Board, the Board will collect all pertinent information and, as appropriate, question the involved parties. In the case of conflicts of interest, if the Board concludes that a conflict does not exist, the inquiry will be documented but no further action will be taken. For detailed procedure information, including actions pertaining to identified conflicts of interest, see the Conflict of Interest procedure at Appendix B. For other ethics-related matters the Board will take any action necessary to remediate the ethical issue.

For matters requiring disclosure to management (e.g. disclosures made to supervisors or Human Resources by non-Officer employees), all disclosed matters should be brought to the attention of Senior Leadership, including at a minimum the Senior Vice President for Human Resources and the Chief Risk Officer. If Senior Leadership concludes that a conflict or other ethical issue does not exist, the inquiry will be documented but no further action will be taken. For detailed procedure information, including actions pertaining to identified conflicts of interest, see the Conflict of Interest procedure at Appendix B. For other ethics-related matters, Senior Leadership will take any action necessary to remediate the ethical issue.

references.

Whistleblower Policy (BankProv)

Whistleblower Policy for Accounting and Audit Matters (Provident Bancorp, Inc.)

Code of Ethics for Senior Officers Policy (Provident Bancorp, Inc.)

administration.

This Policy, along with any amendments, will be reviewed and approved by the Board of Directors no less frequently than annually. [All employees will be required to attest to their review of this policy on an annual basis.](#) This document shall be stored in the Bank's intranet. It is suitable for sharing with all employees.

Approved by: BankProv Board of Directors

Policy Owner: Vice President, Compliance Officer

Appendix A:
Conflict of Interest Disclosure Questionnaire and
Annual Certification of Compliance with Ethics Policy

Name: _____
Position Title: _____
Department: _____

A Conflict of Interest (COI) arises when a Director, Officer or employee takes an action or has an interest that may make it difficult to perform his or her duties objectively and effectively. Conflicts of interest may also arise when a Director, Officer or employee, or a member of his or her family or a business affiliated with him or her, receives improper benefits as a result of the Director, Officer, or employee's business position with the Bank. Directors, Officers and employees of the Bank must avoid such conflicts of interest, or even the appearance of such conflicts of interest. It is not possible to specify every action that might create a conflict of interest, and Directors, Officers, and employees should report apparent conflicts of interest even when unsure whether they rise to the level of an actual conflict of interest. Not all situations and circumstances cause or perceive to cause a conflict of interest, however it is your duty to complete in full this disclosure questionnaire honestly and accurately.

Employees should review the Ethics Policy and complete this disclosure form at any time during employment in which an apparent or real conflict arises or at minimum annually. Please note that for the purposes of the Ethics Policy and this COI Disclosure Questionnaire, relationships of family members and personal contacts are indicated in the Nepotism and Fraternization section of this Ethics Policy and should be considered while completing this questionnaire. The covered relationships are as follows:

- Spouse or Domestic Partner
- Parent or Grandparent
- Siblings/Step-Sibling
- Child, Stepchildren, Grandchildren
- Aunt, Uncle
- First cousin
- Nephew, Niece
- In-law(s) (mother, father, son, daughter, sister, or brother)
- The spouse of any of the above
- Other individuals who are members of the employee's household (considered a *close personal contact*)

1. Do you have a family member or close personal contact who is a Director, Officer, or employee of BankProv?

☐ Yes ☐ No

- **If yes, please describe.**

- 2. Do you have any other reportable relationship with a Director, Officer, or employee of BankProv (e.g. dating or cohabitation)?**

☐ Yes ☐ No

- If yes, please describe.

- 3. To the best of your knowledge, did any of your family members or close personal contacts have an employment, consulting, or other significant financial relationship arise with a company doing business with BankProv within the past twelve (12) months?**

☐ Yes ☐ No

- If yes, please describe.

- 4. To the best of your knowledge, do you or any member of your family or close personal contacts possess a significant ownership interest or management function in an organization or entity conducting business within or with BankProv?**

☐ Yes ☐ No

- If yes, please indicate the organization or business entity's name, relationship to you or your family member or close personal contact, the annual amount of any profits or compensation, market value of any equity, and any intellectual property rights.

- 5. To the best of your knowledge, do you or any member of your family or close personal contacts have an economic interest in any vendor, contractor, or business entity with which BankProv does business or is likely to do business, for which you have an opportunity to influence a related BankProv decision?**

☐ Yes ☐ No

- If yes, indicate business entity's name and relationship to you or your family member or close personal contact.

- 6. Do you have any other apparent or real conflict, financial or otherwise, that may compromise your decisions or judgment in carrying out your responsibilities as a BankProv employee?**

☐ Yes ☐ No

- If yes, please explain.

7. To the best of your knowledge, at any time in the past twelve months, have you or has any member of your immediate family or close personal contacts received any gift (other than promotional items or an occasional meal) or unusual hospitality from any source from which BankProv buys goods or services or otherwise has significant business dealings?

☐ Yes ☐ No

- If yes, please describe the nature of the gift and the business entity and person giving the gift.

8. To the best of your knowledge, at any time in the past twelve months, have you or has any member of your family or close personal contacts given any gift (other than promotional items or an occasional meal) or unusual hospitality to any source from which BankProv buys goods or services or otherwise has significant business dealings?

☐ Yes ☐ No

- If yes, please describe the nature of the gift and the business entity and person to whom the gift was given.

Certification:

In signing and submitting this form, I certify that the above information is true to the best of my knowledge, and that I comply, to the best of my knowledge, with federal law, state law and all company policies related to conflicts of interest. If any of my answers may change after this questionnaire, I will communicate that to Human Resources.

I also certify that I have read and comply with the Bank's Ethics Policy and have made any reports or disclosures that the Ethics Policy requires me to make.

Signature: _____

Date: _____

Appendix B: **Procedures for Disclosing, Reviewing, and Managing Conflicts of Interest**

This procedure describes the actions and steps BankProv's Board of Directors and senior management will take when addressing matters related to conflicts of interest (COI). It is intended to assist Directors, Officers, and employees to understand how COI disclosures made pursuant to the Ethics Policy are reviewed, and to understanding how COIs are managed.

COI Disclosure

COI Disclosures are central to the Bank's ability to identify COIs and take action to eliminate, reduce, or manage associated risk.

A COI disclosure informs the Bank about circumstances that have the potential to cause a risk situation. It is not a reflection on the likelihood that the discloser would allow an outside interest to influence their professional judgment or use their Bank position to gain an unwarranted advantage for an outside or internal interest.

Employee Responsibility to COI Disclosure

All BankProv Directors, Officers, and employees must cooperate with the COI disclosure process consistent with the Ethics Policy. Employees must provide honest and thorough submissions (1) at the time of hire; (2) promptly upon discovering or acquiring a new financial interest or internal or external relationship that requires reporting; (3) annually; and (4) any other time requested by the Bank.

How to Submit a COI Disclosure

A COI disclosure can be made by contacting the Human Resources department.

If responses to all disclosure questions are "No," the disclosure serves as a verification that the employee has no potential conflicts of interest to disclose.

If a "Yes" response is provided for one or more of the COI disclosure questions, the employee will receive a response that their disclosure is under review.

Note: All COI disclosure forms and accompanying documentation will be held within respective personnel files.

COI Disclosure Review Process

COI Designated Official

BankProv has designated the SVP of Human Resources as the COI Designated Official, who has the responsibility for overseeing COI disclosures, providing information and training about conflicts of interest to BankProv staff, and facilitating compliance with COI policies, management plans, and procedures. With respect to the application of this policy to Directors, the COI Designated Official will cooperate with the CEO, the General Counsel, and the Board of Directors.

In the case of Bank Officers and employees, Disclosures with one or more "Yes" response to the COI disclosure questions will be reviewed by the COI Designated Official and notice of the disclosure will be provided to the members of the COI Committee (discussed below), the CEO,

and the General Counsel. In this review, the COI Designated Official will determine whether a significant financial interest, external or internal relationship, or customer impact situation constitutes a potential COI situation and if further review is required. The COI Designated Official may seek additional information from the discloser before making this determination. In the event of a COI disclosure from the CEOs, the COI Designated Official will forward such disclosure to the Audit Committee, which will have the responsibility for reviewing and, as necessary, mitigating the COI.

If it is determined that a potential COI has been disclosed, the disclosure will be provided to the COI Committee.

COI Committee

BankProv has designated the following as members of the COI Committee.

- Chief Risk Officer
- Chief of Staff
- SVP, Human Resources

COI Committee Review Considerations

The COI Committee will determine whether a COI exists and any necessary steps to mitigate the COI. If, with respect to a COI Disclosure, there is a risk of bias in the design of the COI management plan or with the COI Designated Official and/or with the conduct or reporting of the disclosure information, an independent reviewer may be assigned and charged with oversight. If no independent reviewer is available, the COI Disclosure should be reported to the Audit Committee, which will have the responsibility to review and, if necessary, mitigate the COI.

Varying facts and circumstances will be considered during the review of a COI disclosure, for example:

- The value of the financial interest – financial interests with higher values may be considered higher risk.
- The scope of the relationship – longer and closer associations may increase risk.
- The extent of the employee's ability to make decisions on behalf of the Bank in conjunction with an internal or outside relationship.
- The extent of an employee's ability to provide confidential information about the Bank.
- The seriousness of potential harm that could occur if the associated interest unduly influences the employee's decisions or actions.

If the COI Committee determines that a COI situation exists, the committee will recommend actions to manage or eliminate the risk. The COI Committee will inform the CEO and General Counsel of the COI situation and anticipated actions.

COI Management

If the COI Committee determines that the risk involved in a COI situation can be reduced to an acceptable level, the COI Designated Official will aid the employee, and if appropriate, others to implement a COI management plan based on the COI Committee's recommendations.

The COI Designated Official will implement the COI management plan, monitor compliance, and submit status report(s) if applicable.

The COI management plan must be disclosed to, agreed to, and signed by the employee, the employee's most senior department leader, and the COI Designated Official. A copy of the COI management plan must be provided to Human Resources, the CEO, and reported to the Audit Committee.

The COI Designated Official, members of the COI Committee, an assigned independent reviewer (if necessary), and/or anyone with a significant role in a COI management plan, must not have a financial or vested interest with the result of the plan and must not be a subordinate to the employee involved.

Monitoring Compliance with COI Management Plans

The COI Designated Official is required to ensure compliance with all COI management plans on a regular basis. The COI Designated Official must submit a status report to the COI Committee at minimum annually. Copies of each plan and status reports will be held within affected individuals' personnel files.

Those participating in a COI management plan must notify the COI Designated Official regarding any concerns related to the COI and/or COI management plan. If the concern cannot be resolved by the COI Designated Official, it will be addressed by the COI Committee or by an appropriate higher authority.

Renewing or Revising a COI Management Plan

A COI management plan is typically valid for up to one year. Upon review of the COI management plan status report, the plan may be extended for an additional period of time at the discretion of the COI Committee. If, prior to one year, conditions change or if there is evidence of non-compliance with the plan, the COI Committee will review the plan and may recommend revisions or other steps to mitigate risk to the Bank.

Terminating a COI Management Plan

COI management plans are terminated when the COI Committee determines that a COI situation no longer exists or when the COI Committee determines that the risk is no longer manageable and must be eliminated.

Eliminating Conflicts of Interest

Under certain circumstances, the Bank may require elimination of the COI rather than attempting to manage it. For example, the COI situation may be one that is prohibited by law, regulation, or other policies or the risk of harm outweighs the benefit of continuing the situation.

Actions to eliminate the COI may include but are not limited to:

- Reducing a financial interest to a level that it is no longer considered significant.
- Divestment of the financial interest that is causing the COI.
- Termination of the relationship that is causing the COI.
- Changing supervisory structures

- Prohibiting transactions and/or relationships between BankProv and an external entity
- Modifying an employee's position or responsibility on a project
- Terminating employment with BankProv

The decision to recommend elimination of a conflict rather than managing it will only be made after careful consideration by the COI Committee in conjunction with the senior department leader and the General Counsel. The CEO will make a final determination.

Appealing a COI Decision

Employees may appeal a COI determination through written notification to the Chief of Staff.

Employees may appeal to the CEO concerning the appeal decision by the Chief of Staff. The CEO decision on the appeal is final.

Reporting Potential COI Situations

Although the COI disclosure process is the primary method of identifying COI situations, the COI Designated Official will review potential conflicts of interest that are disclosed or discovered in other ways. COI concerns may be brought to the attention of the COI Designated Official. In addition, COI concerns may be reported as defined in the whistleblower policy or to other member of management.

COI Training Requirements

Training on the COI process will be provided on an annual basis.