

CODE OF ETHICS

INTRODUCTION

This Code of Ethics (Code) states general rules to be followed by Summit State Bank (Bank) employees, officers and directors. Our Code provides a framework for ethical business conduct and is not intended to establish rules governing every possible ethical issue. Employees, officers and directors should also use common sense. This Code neither constitutes, nor should be construed as, a contract of employment or a guarantee of continued employment.

PURPOSE

In recognizing that excessive activities, gratuities and access to information may lead to conflicts of interest for employees, officers, and directors, the Bank has developed this policy to recognize such positions and to prevent a loss of objectivity by requiring appropriate and trustworthy conduct.

The general objective of this policy is to require immediate disclosure of any potential conflict of interest and to prevent such a situation from arising. Adherence to this policy should prevent the development of improper relationships between Bank directors, officers, employees and the customers they serve.

ETHICAL BEHAVIOR

The Bank is an organization that stresses both corporate and personal integrity. We not only comply with laws and applicable regulations, but we also strive to conduct our affairs according to the highest ethical standards. Bank directors, officers, and employees are expected to be honest, forthright, and act with integrity, honor, dignity, and respect in dealings with managers, subordinates, one another as well as with customers, potential customers, vendors, government agencies and the general public. Bank directors, officers, and employees must maintain the highest level of personal integrity and encourage it in others. Bank directors, officers, and employees must always strive to exemplify the Bank's standards as outlined in The Summit Way – Summit Service Standards.

CIVILITY

The Board of Directors (Board), officers, and employees of the Bank shall be respectful in their conduct with and amongst each other with mutual regard for one another, to the end that the Bank shall operate in an atmosphere of professionalism, efficiency, and harmony.

Constructive criticism and differences of opinion, if any, are encouraged to be voiced at all times but without personally directed criticism to or from others. Disputes, if any, should be expeditiously resolved without acrimony and with the understanding that all of us together are more knowledgeable than any one of us standing alone.

Nothing herein contained shall be construed to limit lively but respectful debate on important issues confronting the Bank or its well-being.

COMPLIANCE STANDARDS

The Board is responsible for applying and interpreting these policies. The Board has designated the Bank's President and the Bank's Compliance Officer (in consultation with each other) with responsibility for applying these policies to specific situations and with the authority to interpret these policies in any particular situation. Any questions relating to how these policies should be interpreted or applied should be addressed to the Bank's President, Bank's Compliance Officer, or Board. Bank counsel may be consulted, as necessary. An employee who is unsure of whether a situation violates this Code should discuss the situation with the Bank's President or Bank's Compliance Officer.

An employee who becomes aware of any existing or potential violation of laws, rules, regulations or this Code is required to notify the Bank's President, Bank's Compliance Officer or Board of the violation or potential violation. The Bank will not allow retaliation for reports based on an employee's reasonable belief of a violation or potential violation. The Bank itself will not retaliate against any employee for providing such information to the Board, any committee of the Board, the Bank's President, or the Bank's Compliance Officer; or for assisting in any investigation involving the Bank or any of its employees, directors or officers conducted by the Board or any Committee of the Board, the Bank's President, or the Bank's Compliance Officer, or by any law enforcement agency, regulatory agency or securities market.

CONFLICTS OF INTEREST

A conflict of interest occurs when an individual's personal interest interferes or appears to interfere with the interests of the Bank. If a situation arises that may give rise to a conflict of interest, it must be reviewed and approved by the Bank's Board or by a designee of the Board. An employee, officer or director must never use or attempt to use his or her position with the Bank to obtain any improper benefit for himself or herself or for any other person, company or other entity. Any employee, officer or director who is aware of an actual or potential conflict of interest is required to bring the matter to the attention of the Bank's President, Bank's Compliance Officer or Board promptly.

A Bank employee, officer and/or director shall not represent the Bank in any transaction in which he or she has any material connection or substantial interest. Specifically, a material connection includes transactions for the employee, officer and/or director's own personal accounts, and the accounts of any family member or close personal friends. Family members include spouse, son, daughter, father, mother, mother, brother, sister, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, grandparents, grandparent, grandchild, niece, nephew, cousin or any members of a household from this list of relatives.

CORPORATE OPPORTUNITIES

Employees, officers and directors owe a duty to the Bank to advance the Bank's business interests when the opportunity to do so arises. Employees, officers and directors are prohibited from taking (or directing to a third party) a business opportunity that is discovered using corporate property, information or position, unless the Bank has already been offered the opportunity and turned it down.

CONDUCT OF INSIDERS

12 CFR § 215, or federal Regulation O, defines “insiders” as directors, executive officers and principal shareholders. These people must take care that their conduct does not violate rules relating to self-dealing and personal gains. At no time are members of this group allowed to take advantage of their position in the bank for personal profit or influence over credit and other decisions regarding their business or personal interests.

Directors and officers are prohibited from being involved in the loan approval process of insiders who may benefit directly or indirectly from the decision to grant credit. This prohibition extends to professional relationships with any company or firm receiving remuneration because of the decision to grant credit.

Decisions regarding the sale or purchase of bank assets and services must be made in the best interests of the bank, with no influence on insiders resulting from gifts, entertainment or gratuities. All conduct of such business must be at “arm’s length.”

CONFIDENTIALITY

In carrying out the Bank’s business, employees, officers and directors often learn confidential or proprietary information about the Bank, its customers, suppliers or joint venture parties. Employees, officers and directors must maintain the confidentiality of all such information entrusted to them, except when disclosure is authorized or legally required.

Employees must not provide information to the news media unless they have been authorized to do so by the Bank’s President or by the Board.

FAIR DEALING

We do not seek competitive advantages through illegal or unethical business practices. Each employee, officer and director should endeavor to deal fairly with the Bank’s customers, clients, service providers, suppliers, competitors and employees. All employees, officers and directors must deal with the Bank’s customers, suppliers, service providers, competitors and employees without regard to race, color, religion, sex, national origin, sexual orientation, age, disability, military service or marital status.

GIFTS AND ENTERTAINMENT

Employees of the Bank are not to solicit gifts from prospective or current customers, associates, or any other individual or business. Employees may accept small gifts or other items of value from business associates of the Bank as long as they are properly disclosed and the dollar value is considered nominal. Gifts valued up to \$50 may be accepted without prior approval. Gifts exceeding \$50 must receive the approval of the Bank’s President and the Bank’s Compliance Officer.

Employees of the Bank are expected to participate in entertainment and amenities of reasonable cost to facilitate business. Payment by anyone other than the Bank of excessive costs or travel not customary or within acceptable business practice must not be accepted. Any questionable circumstances must be reported to the Bank’s President or the Bank’s Compliance Officer.

Tickets for sporting, cultural or other events purchased by the Bank are to be used in entertaining potential or actual customers, vendors or others for business purposes only. If it is determined approximately one week before the event that the tickets will not be used, an officer may offer them to someone else at his or her discretion.

It is against the policy of the Bank to make contributions or expenditures relating to elections to political office or with a primary election, political convention or caucus held to select candidates for any political office. This prohibition applies to all federal, state, and local elections, political conventions and caucuses. These provisions also extend to other forms of political contributions or expenditures including but not limited to, the purchase of tickets to political dinners or other political fund-raising events, advertisements in political literature, and donations of goods or services relating to political fund-raising events and activities.

EXTERNAL INVOLVEMENT

While the Bank encourages its employees to be involved in outside activities, including charitable and political functions, at no time will employees solicit other employees for political contributions or coerce others into contributing to any organization. Conduct must not give the perception that benefit to the Bank or connections are sought or desired.

Additionally, offers of directorship to any outside organization that has or desires a business relationship with the Bank, or to any institution within the financial industry, must be reported to a member of the Executive Team prior to acceptance.

Capitalizing on opportunities for personal gain or compensation outside of that provided by the Bank for the performance of services for the Bank is strictly prohibited. Employment outside and in addition to employment at the Bank must be reported to the Bank's Chief Operating Officer and the Bank's Compliance Officer.

PROTECTION AND PROPER USE OF CORPORATE ASSETS

All employees, officers and directors should protect the Bank's assets and ensure their efficient use. All Bank assets should be used only for legitimate business purposes. Employees, officers and directors should make sure that any use of Bank property or services that is not solely for the benefit of the Bank is approved beforehand by the Bank's President, the Bank's Compliance Officer or the Board.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS INCLUDING INSIDER TRADING LAWS

It is the Bank's policy to comply with all applicable laws, rules and regulations. Each employee, officer and director should adhere to the standards and restrictions imposed by those laws, rules and regulations.

Generally, it is illegal and against Bank policy for any individual to profit from undisclosed information relating to the Bank or any other company. Anyone who is aware of material nonpublic information relating to the Bank may not purchase or sell any of the Bank's securities. Also, it is against Bank policy for any employee, officer or director who may have material nonpublic information about any of our customers or clients or any other company to purchase or sell the securities of that company.

If you are uncertain about the legal rules involving your purchase or sale of any Bank securities or any securities in companies that you are familiar with by your work for the Bank, you should consult with the Board, Bank's President, Bank's Compliance Officer or, with management's approval, counsel to the Bank.

MAINTENANCE AND DISCLOSURE OF FINANCIAL INFORMATION

The Bank through its senior financial officers will ensure that appropriate books and records are maintained and will make full, fair, accurate, timely and understandable disclosure of information that is required to be made public pursuant to applicable securities laws and the rules of any market on which or through which the Bank's securities may be traded. Each employee is personally responsible for the integrity of the information, records and reports under his or her control.

WAIVERS OF THIS CODE

From time to time, the Bank may waive some provision(s) of this code. Any employee, officer or director who believes that a waiver may be appropriate should contact the Bank's President, Bank's Compliance Officer, Board or, with management's approval, counsel to the Bank. Any waiver of the Code for executive officers or directors may be made only by the independent members of the Board and must promptly be disclosed to shareholders.

OBSERVANCE OF THIS CODE

A violation of this Code is a serious offense and may constitute grounds for disciplinary action, which may include termination of employment or, in the case of directors, removal from the Board. Protecting the Bank's integrity is the responsibility of the Bank's directors, executive officers and employees. Each director, executive officer and employee is required to cooperate fully with any investigation of a possible violation of this Code or other Bank policies conducted by or under the direction of the Board of Directors, any Committee of the Board, the Bank's President or the Bank's Compliance Officer.

ANONYMOUS REPORTING

To facilitate and encourage the reporting of illegal, unethical or other improper conduct, the Bank will maintain a confidential voice mailbox on the Bank's phone system for the receipt of complaints (also see the Bank's Confidential Employee Reporting Policy for additional information). The Bank will investigate alleged violations diligently. Every employee is assured that he or she will not suffer any retaliation by another employee, officer, director or by the Bank itself for reporting a violation that is within his or her knowledge utilizing this telephone service. The Bank assures each employee that it will maintain all reports of improper conduct in the strictest confidence to the extent permitted by law.