



CODE OF CONDUCT POLICY

CORPORATE STATEMENT

The activities of ARLO Bank (Bank) are affected by various laws and regulations, as well as its responsibilities to its members, employees and the community in which it serves. The Code of Conduct Policy provides the avenue for ensuring that the conduct of its employees is consistent with the institution's corporate responsibilities. This Code sets standards by which all employees must conduct themselves. "Employees" within this policy includes all directors, officers, and staff.

CONFLICT OF INTEREST

The Bank's reputation for integrity is its most valuable asset and is directly affected by the conduct of its employees. Employees must not advance their own personal or business interests, or those of others with whom they have a personal or business relationship, at the expense of the Bank.

If an employee has an interest in a matter or transaction before the Board, they must:

- Disclose all material non-privileged information relevant to the board's decision
- Refrain from participating in the Board's discussion of the matter
- Recuse yourself from voting on the matter (if you are a director)

Each employee represents the Bank and is obligated to act in the company's best interest, and in the best interest of its members. Employees are expected to recognize and avoid situations where personal or financial interest or relationships might influence or appear to influence the employee's judgment on matters affecting the Bank.

Although employees may not intend to create a conflict of interest, they should manage their affairs to avoid even the appearance of such a conflict. If an employee has any doubt about a situation, they should contact their supervisor to discuss it immediately.

CONFIDENTIAL INFORMATION

The unauthorized use or release of confidential information during or after employment with the Bank is a breach of this Code of Conduct Policy. Confidential information with respect to the Bank, its members, prospective customers, suppliers, and employees acquired in the course of business is to be used solely for corporate purposes and never to be discussed with or divulged to unauthorized people. The need for confidentiality extends to everyone, including family, friends and acquaintances.

Confidential information includes, but is not limited to:

- Customer loan or deposit account balances and credit ratings
- Corporate financial information that would not be considered public knowledge

- Corporate policies, objectives, goals and strategies
- Vendors
- Employee records

ACCOUNTING AND FINANCIAL INFORMATION

The Bank maintains the highest standards in preparing the accounting and financial information disclosed to the public. There should never be issued any information that is false, misleading, incomplete, or data which would lead to mistrust by the public or our members.

EMBEZZLEMENT, THEFT, AND MISAPPLICATION OF FUNDS

Each employee is held responsible for maintaining accurate and complete records. Anyone who embezzles, steals, or willfully misappropriates any monies, funds, or credits of the Bank is subject to the loss of their position, along with a fine, imprisonment or both.

RELATIONSHIP WITH THE MEDIA

A relationship with the media is an important one that affects our image in the community. Employees should refer all questions or requests for information from reporters or other media representatives to the Bank's Chairman of the Board or the Bank's President to ensure consistency and accuracy of information.

GIFTS OF VALUE

It is a federal crime for any employee of a financial institution to corruptly solicit for the benefit of any person anything of value from anyone in return for any business, service or confidential information, intending to be influenced or rewarded, either before or after a transaction is discussed or consummated. This solicitation is meant for the receiving or the giving of a valuable commodity, either directly or indirectly. ARLO Bank has made the decision that any "gift" in excess of \$500 is to be brought before the compliance committee or management team for determination of how the gift should be handled.

Things of value exchanged between family members or social friends are not covered by this policy, if they are exchanged solely because of the relationship and not in connection with a business transaction.

ESTATE MATTERS

No employee or member of an employee's family may accept any benefit under a will or trust instrument of a customer of the Bank. No employee or member of an employee's family may act in any fiduciary capacity under a will, trust, or other instrument of a customer of the Bank unless prior senior management approval has been obtained, after consultation with legal counsel. These restrictions do not cover estate documents for the employees' family.

OUTSIDE ACTIVITIES

Employees outside activities must not interfere or conflict with the interest of the Bank. Acceptance of outside employment, outside speaking engagements, election to the board of directors of other organizations, and

participation in activities on behalf of outside organizations or in political activities represent potential conflicts of interest.

Other employment opportunities are permissible but discouraged. Employees should not engage in outside employment that would adversely affect the quality of work that must be devoted to their duties at the Bank. Employees must disclose all outside employment to senior management and obtain prior approval.

Outside activities should not compete or conflict with the activities of the Bank; involve any use of company equipment, supplies, or facilities; imply the Bank's support; or adversely affect the Bank's reputation.

SOUND PERSONAL FINANCES

The manner in which employees manage their personal finances can affect on-the-job performance and the Bank's image in the community. Therefore, employees must avoid any circumstances that may lead to financially embarrassing situations. Employees should borrow only from financial institutions that regularly lend money and with no favored treatment as to interest rate, terms, security, repayment terms and penalties.

In the event an employee overdraft occurs, an email notification will be sent to the Department Manager and Chief Operations Officer. Employee accounts should not be overdrawn more than five consecutive days. If an employee has insufficient funds six times in a six-month period or twice in excess of \$1,000, disciplinary action up to and including termination will be taken. Directors and Executive Officers accounts are governed by the Regulation O – Loans to Insiders Policy. In all cases, employees will be charged an overdraft fee as outlined in the Bank Fee Schedule disclosure.

CODE OF CONDUCT VIOLATIONS

If an employee believes they will be in violation of this Policy, the employee must disclose the facts of the situation to their supervisor. Failure to do so is a breach of this Code. Disclosure should always be in writing, and a written response to the employee should be given by senior management.

Any employee who knowingly violates any section of this Policy is subject to disciplinary action, up to and including termination. Suspicions of Code of Conduct violations and/or other criminal activity or business abuses should be reported immediately to the President. Violations can result in civil or criminal penalties under federal securities laws, both for the individual concerned and for the Bank.

ACKNOWLEDGMENT

Every employee will be required to sign a statement that they have read this policy and understand all the provisions and agrees to abide by them. By reviewing and approving this policy annually, the Board of Directors also agrees to abide by all the provisions.