

## **CITIZENS & NORTHERN CORPORATION**

### **CODE OF ETHICS**

#### **GENERAL PHILOSOPHY**

This Code of Ethics applies to all employees, officers and directors of Citizens & Northern Corporation (“C&N Affiliates”) and all its subsidiaries (collectively referred to as “C&N”).

The honesty, integrity and sound judgment of our C&N Affiliates is essential to C&N’s reputation and success. This Code of Ethics governs the actions and working relationships of C&N Affiliates with current and potential customers, fellow employees, competitors, governments, vendors and regulatory agencies, the media and anyone else with whom C&N has contact. These relationships are essential to C&N’s continued success.

This Code of Ethics:

- requires the highest standards for ethical conduct, including proper procedures for dealing with actual or apparent conflicts of interest between personal and professional relationships;
- requires full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by C&N with governmental agencies;
- requires compliance with applicable laws, rules and regulations;
- addresses misuse or misapplication of C&N’s property and business opportunities;
- requires the highest level of confidentiality and fair dealing within C&N and outside C&N;
- requires prompt and proper internal reporting of violations of the Code of Ethics; and
- provides additional specific guidance for C&N’s officers and directors.

C&N has several policies designed to address possible ethical conflicts or issues that could arise in the course of business. Each of these policies attempts to clarify the organization’s expectations as it relates to specific aspects of C&N’s operations.

## ETHICS-RELATED COMMITMENTS

This Code of Ethics specifically addresses ethical concerns related to financial reporting, privacy, security, and conflicts of interests (including specific issues cited in the Bank Bribery Amendments Act of 1985), by requiring commitment from each C&N Affiliate to do the following:

1. Misuse or Misapplication of Property and Business Opportunities. In general, a C&N Affiliate must not solicit, demand, accept or agree to accept anything of value from any person (other than bona fide salary, wages, fees and expenses paid or reimbursed in the usual course of business) in conjunction with the performance of their duties for C&N or in return for any business, service or confidential information of C&N. C&N Affiliates are prohibited from personally benefiting from opportunities that are discovered using C&N's property, contacts, or information.

There are exceptions to the general rule. A C&N Affiliate may accept something of value from one doing or seeking to do business with C&N: if the acceptance is clearly based on a family or personal relationship independent of any business of C&N; if the benefit is available to the general public under the same conditions on which it is available to the C&N Affiliate; if the benefit would be paid for by C&N as a reasonable business expense if not paid for by another party; acceptance of loans from other banks or financial institutions on customary terms to finance proper and usual activities of C&N Affiliates, such as home mortgage loans, except where prohibited by law; acceptance of advertising or promotional material of reasonable value, such as pens, pencils, note pads, key chains, calendars and similar items; or acceptance of civic, charitable, educational, or religious organization awards for recognition of service and accomplishment

2. Confidentiality. You must protect the confidential relationship between C&N and each of its customers and employees. Nonpublic personal information regarding C&N or its business, employees and customers is confidential. As a C&N Affiliate, you are trusted with confidential information. You are only to use such confidential information for the intended business purpose of C&N. A C&N Affiliate may not share confidential information with anyone outside of C&N, including family and friends, or other employees of C&N who do not need the information to carry out their duties. Confidential information, such as account balances, anticipated changes in the management or financial condition of a customer, etc., must be held in confidence by those to whom it is entrusted and must never be discussed outside the normal and necessary course of C&N business. A C&N Affiliate must not access nonpublic personal information of any customer, employee or director of C&N except as necessary to: (1) effect, administer, or enforce a transaction that they

have requested or authorized, (2) purchase, service or process a financial product or service they have requested or authorized, or (3) conduct professional responsibilities, such as supervisory, human resources, audit or compliance functions. Moreover, a C&N Affiliate must never make changes in their personal investment portfolios based on such confidential information.

3. Conflicts of Interest. A C&N Affiliate must disclose all actual and potential conflicts of interest, including those in which they have been inadvertently placed due to either business or personal relationships with customers, suppliers, business associates, or competitors of C&N. A “conflict of interest” occurs when a C&N Affiliate’s private interest in any way interferes – or appears to interfere – with the interests of C&N. A C&N Affiliate must avoid all situations that might lead to a real or apparent material conflict between their self-interest and their duties and responsibilities as a C&N Affiliate. Any position or interest, financial or otherwise, that could materially conflict with a C&N Affiliate’s performance as such, or that affects or could reasonably be expected to affect the C&N Affiliate’s independence or judgment concerning transactions between C&N, its customers, suppliers or competitors or otherwise reflect negatively on C&N would be considered a conflict of interest. Before agreeing to act as a director, officer, consultant or advisor for any other business organization, a C&N Affiliate must notify their immediate supervisor. C&N directors must disclose all new directorships or potential directorships to the Chair of the Board to avoid any conflicts of interest and to maintain independence. C&N encourages civic, charitable, educational and political activities if they do not interfere with the performance of a C&N Affiliate’s duties at C&N. Before agreeing to participate in any civic or political activities, a C&N Affiliate must notify their immediate supervisor. C&N directors must notify the Chair of the Board. C&N employees considering outside employment should notify their manager or supervisor, who will review outside employment requests for potential conflicts of interest.

The following shall apply to C&N directors and officers:

- C&N Director Conflicts of Interest. A director’s other relationships, including business, family or those with non-profits, could occasionally give rise to the perception that the director has a material, personal interest on a particular issue involving C&N. The Board of Directors, after consulting with counsel if the Board deems appropriate, shall determine on a case-by-case basis whether a conflict of interest exists. The Board of Directors shall take appropriate steps to identify such potential conflicts and to ensure that all directors voting on an issue are disinterested with respect to that issue.
- C&N Officer Conflicts of Interest. A C&N officer’s other relationships, including business, family, or those with non-profits, could occasionally give rise to the perception that the individual has a material, personal interest on a particular issue involving C&N. The Board of Directors after consulting with counsel if the Board deems appropriate, shall determine, on a case-by-case basis, whether a conflict of interest exists.

As part of the annual reaffirmation, C&N Affiliates will be asked to report their participation in any civic, charitable, educational, political activities and/ or outside business.

4. Financial Reporting. To the extent applicable to their position, a C&N Affiliate must ensure that C&N's financial reports and disclosures, as filed with or submitted to the Securities and Exchange Commission or in other public communications, are full, fair, accurate, timely and understandable. C&N's Reporting Suspected Fraudulent Activities Policy describes procedures for confidential and anonymous reporting of questionable accounting or auditing matters.
5. Compliance with Laws, Rules and Regulations. A C&N Affiliate must not knowingly fail to comply with any applicable governmental laws, rules or regulations.

In accordance with FDIC Act, Section 19, financial institutions insured by the FDIC may not hire or employ anyone who has been convicted of or entered a pretrial diversion for a crime involving dishonesty and/or breach of trust, whether misdemeanor or felony, unless there is prior written consent from the FDIC. Prior consent from the FDIC is not needed for expunged or sealed offenses. All C&N Affiliates must disclose to the Human Resources Department any current or prior such convictions or participation in any pretrial diversion or similar program unless the offenses have been expunged or sealed. Upon disclosure, Human Resources will determine the appropriate course of action.

6. Insider Trading. A C&N Affiliate must not buy, sell, trade or otherwise participate in transactions involving C&N's securities while in possession of material information concerning C&N that has not been released to the public, but which when released may have an impact on the market price of C&N's securities. A C&N Affiliate must not buy, sell, trade or otherwise participate in transactions involving the securities of any other corporation while in possession of similar non-public material information concerning such corporation. Any questions concerning the propriety of effecting a transaction in C&N's (or another corporation's) securities should be directed to C&N's Insider Trading Compliance Officer.

## **ADMINISTRATION AND WAIVER OF CODE OF ETHICS**

This Code of Ethics shall be administered and monitored by C&N's Human Resources Department. Any questions and further information on this Code of Ethics should be directed to C&N's Human Resources Department. All managers and direct supervisors are responsible for reviewing this Code of Ethics with their subordinates each time a new edition of the Code of Ethics is published. This Code of Ethics also is available on C&N's web site at: [www.cnbankpa.com](http://www.cnbankpa.com).

C&N Affiliates will be required to annually sign the Code of Ethics, indicating that they have read and will comply with its provisions. Each new C&N director will receive a copy of this Code of Ethics and will be required to sign a copy indicating they have read this Code of Ethics and will comply with its provisions upon election or appointment as a director of C&N.

C&N Affiliates are expected to follow this Code of Ethics at all times. In rare circumstances, situations may arise in which a waiver may be appropriate. Waivers will be determined on a case-by-case basis by C&N's Human Resource Department with the advice of C&N's general counsel. However, waivers for C&N directors and officers may only be granted by the Board of Directors, which shall have the sole and absolute discretionary authority to approve any deviation or waiver from this Code of Ethics. Any waiver for C&N directors or officers, and the grounds, therefore, shall be disclosed to shareholders in accordance with applicable laws and regulations.

Known or suspected violations of this Code of Ethics by a C&N officer or employee will be investigated and may result in disciplinary action up to and including immediate termination of employment with C&N.

C&N's management places the customer's and public's trust and confidence in C&N with every C&N Affiliate. C&N's welfare depends upon the conduct and honesty of its employees, officers and directors and upon the trust and confidence of the public. Our customers rightfully expect honesty, security and confidentiality in their accounts and affairs. Therefore, C&N requires that each C&N officer and employee acknowledge the following:

I WILL NOT PROCESS MY OWN OR MY IMMEDIATE FAMILY'S PERSONAL BANKING TRANSACTIONS OR TRANSACTIONS OF ANY ORGANIZATION / ENTITY WITH WHICH I AM CLOSELY AFFILIATED AS A MEMBER, OFFICER, EMPLOYEE OR OTHERWISE.

I AGREE TO FOLLOW THE CODE OF ETHICS OUTLINED ABOVE. I WILL DISCLOSE TO CHIEF HUMAN RESOURCES OFFICER OR GENERAL COUNSEL ANY BREACH OF THIS CODE OF ETHICS. I WILL ALSO DISCLOSE MY INVOLVEMENT IN OUTSIDE BUSINESS INTERESTS OR EMPLOYMENT THAT ARE A POTENTIAL CONFLICT OF INTEREST. I AGREE TO INFORM CHIEF HUMAN RESOURCES OFFICER OR GENERAL COUNSEL, WITHOUT DELAY, OF ANY FRAUD, FALSE ENTRY, SUBSTANTIAL ERROR, EMBEZZLEMENT OR EMPLOYEE MISCONDUCT WHICH I DISCOVER OR KNOW TO HAVE TAKEN PLACE IN ANY OF C&N'S RECORDS, PROPERTY OR

FUNDS AND TO REPORT ANY TRANSACTION OR MATTER THAT SEEMS TO BE IRREGULAR OR DAMAGING TO C&N. I AGREE TO DISCLOSE TO THE HUMAN RESOURCES DEPARTMENT ANY CURRENT OR PRIOR CONVICTIONS OR PARTICIPATIONS IN ANY PRETRIAL DIVERSION OR SIMILAR PROGRAMS THAT INVOLVE DISHONESTY AND/OR BREACH OF TRUST.

I AGREE THAT VIOLATION OF THIS PLEDGE OF RESPONSIBILITY IS A VIOLATION OF C&N'S TRUST IN ME AND WILL RESULT IN DISCIPLINARY ACTION, WHICH MAY INCLUDE TERMINATION OF EMPLOYMENT.

SIGNATURE: \_\_\_\_\_ ANNUAL REAFFIRMATION REQUIRED  
PRINT NAME: \_\_\_\_\_ Date: \_\_\_\_\_

Any of C&N's policies or actions are not intended to constitute a contract or guarantee of employment. Any statement to the contrary, oral or otherwise, is expressly disclaimed.

*Please list your participation in any civic, charitable, educational or political activities and/or outside business below. If none, please so note.*

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