




Policy: CONFLICT OF INTEREST AND CODE OF ETHICS POLICY		Responsible Party: 
Policy group: EXECUTIVE AND CORPORATE	Page 1 of 6	Board Approval Date: 10/20/2022

Purpose

Solera National Bancorp, Inc. and its subsidiaries and affiliates, are collectively referred to as the “Company”, has established guidelines that all of its employees including directors and officers are expected to comply with related to acceptable behavior and demeanor while performing the functions of their position with the Company both on the job and in public.

The Bank’s reputation for integrity is its most valuable asset and is determined by the conduct of its directors, officers and employees. Each must manage personal and business affairs so as to avoid situations which might lead to a conflict or even suspicion of a conflict between self-interest and the Company, its consumers and shareholders. One’s position must never be used, directly or indirectly, for private gain, to advance personal interest, or to obtain favors or benefits for oneself, a member of one’s family or any other person. The following guidelines should help in the exercise of personal judgment to avoid conflicts of interest or the appearance of conflicts. As used herein “employee” means officer, employee, and others whose wages or salaries are paid by the Company.

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

Confidentiality

Confidential information with respect to the Company, its customers, and suppliers acquired in the course of duty is to be used solely for Company purposes and under no circumstance revealed to unauthorized persons. It is imperative that each employee keeps all information about customers in the strictest confidence. In no case shall such information be transmitted to persons outside the Company or even to other employees of the Company who do not need to know such information in discharging their duties as employees.

Confidential information which might reflect favorably or adversely upon the investment value or future market value of any business enterprise should not be used in any manner for the purpose of personal advantage or to provide advantage to others.

Information about the Company, in some instances, may be considered “insider information,” which if used or disclosed could subject the employee, the Company, and any person to whom the information is communicated to liability under federal and state securities laws. Care should be taken not to release information about the Company or its affiliates to any person unless it has been published or otherwise made generally available by the Company. Additional details on what constitutes “insider information,” as well as the Company’s expectations of employee behavior regarding insider activity, is addressed in the Company’s Insider Trading Policy.

Conflicts of Interest

Employees must avoid any relationship or activity that might impair, or even appear to impair, their ability to make objective and fair decisions when performing in their positions. At times, an employee may be faced with situations in which business actions taken on behalf of the Company may conflict with the employee’s own personal interests and should therefore be avoided. Company property, information or business opportunities may not be used for personal gain.

Conflicts of interest could arise in the following circumstances:

- Being employed by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while employed with the Company.
- Hiring or supervising family members or closely related persons.
- Serving as a board member for a competitor.
- Owning or having a financial interest and/or involvement in a competitor, supplier or contractor related to the Company’s business.
- Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all employees.

Employees with a conflict of interest question should seek approval from management before engaging in any activity, transaction or relationship that might be considered a conflict of interest. If it remains unresolved, refer the matter to Human Resources for a final determination.

Outside Employment (excluding directors)

Activities and conduct away from the job must not compete with, conflict with, or compromise the Company’s interests or adversely affect job performance or the ability to fulfill all job responsibilities. Employees are prohibited from performing any services for customers during non-work hours that are normally performed by the Company. This also extends to the unauthorized use of any Company tools or equipment and the unauthorized use or application of any confidential information. In addition, employees are not to solicit or conduct any outside business during paid work hours.

Employees are cautioned to carefully consider the demands that additional work activity will create before accepting outside employment. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel or refusal to work overtime or different hours. If the Company determines that an employee’s outside work interferes with performance, the employee may be asked to terminate the outside employment.

Public Disclosures

The Company and its employees shall make their best efforts to provide full, fair, accurate, timely and understandable public disclosure about the affairs of the Company. The Company shall make its best efforts to provide all financial and other requests for information by the regulatory agencies to be prepared in a full and fair manner; to be filed or reported in a timely manner and to be understandable based on the purpose intended.

Individual employees are not authorized to make any public disclosures. All public disclosures of Company information shall be made through the formal processes established by the Company.

Personal Investments

Because investments are an area in which a conflict of interest can easily develop, prior approval of the President and Board is necessary before any employee or member of the employee's family (defined as a family member living within the same household) invest directly or indirectly in the stock, business, or real estate venture of a customer, borrower, supplier, or competitor. Investment in shares of a publicly held company is permissible without disclosure provided the employee does not service the account as loan officer and the investment does not exceed 1% of outstanding stock of the Company.

Employees should not borrow excessively for any purpose, including for the purchase of stocks and bonds or other investments.

Employees should not accept offers which come to them because of their position to buy a security at terms more favorable than those available to the general public.

Solicitation or Acceptance of Compensation and Gratuities

The Crime Control Act of 1984, Title 18 U.S.C. Section 215 stipulates that it is a felony for any person associated with a bank or bank holding company to seek or accept anything of value from any person or entity in connection with any transaction or business of such bank or holding company with which they are associated.

Such statute provides:

- No employee shall solicit or accept for personal use or gain, or for that of a third party not affiliated with the Company, anything of value from anyone in return for any business, service or confidential information of the Company.
- An employee accepting anything of material value (other than bona fide salary, wages and fees, as referred to in the statute), from anyone in connection with the business of the Company either before or after a transaction is discussed or consummated is prohibited. Violation of this statute may result in significant monetary fines or imprisonment.

The statute has exceptions to the above that include the following:

- Receipt of gratuities or favors of a nominal value from customers of the Company when the circumstances indicate that such gift or favor will not exert any influence over the actions of the Employee or the Company and the gift or favor is unsolicited.
- Acceptance from customers of the Company of gifts, gratuities, amenities or favors based on established and obvious family or personal relationships.

- Acceptance from individuals or entities doing business with, or attempting to do business with, the Company of meals, refreshments, travel arrangements, accommodations or entertainment, all of a reasonable value, in the ordinary course of conducting business with the Company and for which the Company would have paid in the normal course if not paid by a third party.
- Acceptance of loans from other banks or financial institutions on normal and ordinary terms available to the general public except where prohibited by regulation or law.
- Acceptance of advertising or promotional material from customers of the Company of reasonable value such as pens, pencils, note pads, and similar items.
- Acceptance from customers of the Company of discounts or rebates on merchandise or services that do not exceed those available to the other customers.
- Acceptance from customers of the Company of gifts of reasonable value that are related to commonly recognized events or occasions such as promotion, new assignment, wedding, retirement or holidays.
- Acceptance of civic, charitable, educational or religious organizational awards for recognition of services or accomplishment.

Other circumstances not identified above may be acceptable. Each employee has a responsibility to consider not only the above statements, but the spirit. It shall be the responsibility of each employee to make a full disclosure to the Company of the relevant facts of any situation which, considering the above, raises any question.

Such disclosure shall be in writing with copies furnished to the employee's manager and Human Resources or, in the case of directors, to the President. Human Resources will maintain a copy of each disclosure in the employee's file, together with the disposition of the disclosure by the Company.

Company officials are prohibited from dealing or otherwise trading on their positions with the Company or accepting from one doing or seeking to do business with the Company a business opportunity not available to other persons or that is made available because of such official's position with the Company.

Regardless of value, a gift should be declined if your good judgment indicates you would be obligated in any way to the donor, or there is the slightest implication of influence or if it could be construed to be "in connection with" a business transaction.

Employees shall not borrow from customers, prospective customers, suppliers or other persons or companies with which the Company or its affiliates do business except those engaged in lending in the usual course of business and then only on terms offered to others under similar circumstances and under no circumstances in connection with a transaction of the Company.

A copy of any written disclosure report of gifts, beyond what is authorized by this policy or any potential conflicts of interest shall be given to the President and to the Chairman for permanent record and further references.

Loans

Loans to corporate officers, their immediate families, correspondent banks or bankers, or any others who may control the Company balances of others will be on terms, including interest rates and collateral, no more favorable than those prevailing at the same time for comparable transactions with other persons.

Officers may not make loans to their immediate family members including mother, father, brother, sister, spouse, children or stepchildren. Another officer or the Board may approve these loans when necessary. In addition, such loans must not involve more than the normal risk of collection or present other favorable features.

In general, the Company and its affiliates do not make loans for political campaigns. Any such loan must be made on terms no more favorable than other comparable loans, must be adequately secured, and must have a repayment plan independent of the political success of the candidate.

Employee Overdrafts

Employees are required to handle their accounts with the Company in a prudent manner. Any account on which the employee has authority to withdraw funds is an employee account unless two or more signatures are required for a withdrawal.

An item presented against insufficient funds must have a deposit made that day or the item may be returned NSF. This is at the discretion of the Company. Improper handling of accounts can result in the suspension of free checking privileges.

Enforcement & Oversight

The Board of Directors has the authority to approve and enforce this policy. Changes to this policy require approval by the Company's Board of Directors; however, senior management is responsible for ensuring that the policy is implemented and administered in compliance with this policy.

It is the responsibility of each employee and director to comply with this policy and any applicable laws, rules, regulations, and, if appropriate, regulatory issued guidance.

Policy Violations

If an employee becomes aware of another employee violating or appearing to violate this policy, they are responsible for notifying a member of management or Human Resources about the situation.

Violations of this policy are grounds for disciplinary action up to and including termination. In situations where infractions of this policy may have violated federal or state law, such violation(s) will be referred to the appropriate law enforcement agencies.

Policy Acknowledgement

This policy will be acknowledged by every employee of the Company before performing in any capacity on behalf of the Company. Signed acknowledgments will be retained in employee's file.

Acknowledgement

I acknowledge that I have read the Conflict of Interest and Code of Ethics Policy pertaining to all employees, including directors and officers, regarding the Company's policy on standards of behavior and demeanor while performing the functions of my position with the Company both on the job and in public.

I agree to abide by the policy and will consult with my manager, another member of management or Human Resources if I have questions with respect to the policy.

Signature _____

Print Name _____

Date _____