

## CNB FINANCIAL CORPORATION

### CODE OF CONDUCT

The Board of Directors of CNB Financial Corporation (“CNB”) has adopted and sets forth herein this Code of Conduct.

#### Purpose

Traditionally, CNB has held itself to the highest standards of ethical and moral conduct in which conflicts of interest, and the appearance of such conflicts, are avoided.

This Code of Conduct is designed to guide the day-to-day actions of directors, officers, agents and attorneys, and other persons associated with CNB or any of its subsidiaries or affiliated companies, in avoiding real or perceived conflicts of interest.

#### Scope, Definitions

This Code of Conduct applies to each of the following persons:

- \* Each director of CNB or of any of CNB’s subsidiaries or affiliated companies, including directors emeritus, advisory directors, and advisory board members. All such persons are referred to herein as “directors”.
- \* Each officer of CNB or of any of CNB’s subsidiaries or affiliated companies. All such persons are referred to herein as “officers”.
- \* Each agent or attorney engaged by CNB or by any of CNB’s subsidiaries or affiliated companies.

All of the foregoing persons are referred to herein as “covered persons”.

This Code also applies, except as set forth herein under “Investment and Credit Exceptions”, to the spouse and each other immediate family member of any covered person.

- \* Other immediate family members are any child, stepchild, grandchild, parent, stepparent, grandparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law and sister-in-law, including adoptive relationships and any other person residing in the same household as the covered person.

Lastly, this Code applies, except as set forth herein under “Investment and Credit Exceptions”, to each corporation, partnership, trust, estate or other business entity (1) in which any covered person has, directly or indirectly, a majority or controlling interest, or (2) over which any covered person has, directly or indirectly, majority control.

These additional persons and entities are covered to make it clear that a covered person cannot do indirectly what he or she cannot do directly. They are also to be considered “covered persons” under this Code of Conduct.

CNB and each of its direct and indirect subsidiaries and affiliated companies (companies in which CNB has, directly or indirectly, a majority or controlling interest) are referred to herein as “CNB Entities”.

## Conflicts of Interest Generally

Directors and officers owe a fiduciary duty to their corporate employer. This is the highest duty recognized by the law. This duty requires directors and officers to dedicate their undivided loyalty to the corporation and place the corporation's best interests ahead of their own in all instances. This is a principal of ethics as well as law and extends to instances that are not strictly illegal but improper or unfair. One who exercises discretionary authority on behalf of the corporation may not use this authority to his or her own benefit.

Therefore, it is the policy of CNB Financial Corporation, that all its directors and officers shall at all times be free of any conflicting interest when they act on behalf of the corporation or represent it in any negotiations or advise others with respect to dealing with third parties. Officers and directors shall deal with suppliers, customers, contractors and others who have business relations with CNB Financial Corporation on the sole basis of that which is in the best interest of the corporation, without favor or preference to third parties based on personal considerations.

No covered person shall pursue any personal interests which might conflict with, or appear to conflict with, the interests of any CNB Entity or which might influence, or appear to influence, his or her judgment in any matter involving any CNB Entity.

The following sections of this Code of Conduct describe the application of this general rule in a variety of circumstances. There may be an occasional instance where a covered person shall find himself or herself in a situation described in one of the following sections which the covered person believes is outside of the intent of this Code of Conduct. In such instances, the covered person should consider applying for a waiver of the applicable policy. See "Approval and Reporting Process" below.

Nevertheless, if any covered person shall find himself or herself in an actual or potential conflict of interest, including one arising inadvertently due to a business or personal relationship with a customer, supplier, business associate or other party with a present or prospective business relationship with an CNB Entity, or with a competitor of any CNB Entity, he or she must report that fact, disclosing all relevant facts and circumstances. See "Approval and Reporting Process" below.

## Confidential Information

No covered person shall use or disclose any confidential information obtained from any CNB Entity except for the proper conduct of that or any other CNB Entity's business.

No covered person shall release any financial information about any CNB Entity to any person, unless such information has been published in reports to CNB's shareholders or otherwise made generally available to the public in accordance with public disclosure regulations (which is attached hereto).

No covered person shall communicate any confidential information about any customer of an CNB Entity or about any other party to or throughout any CNB Entity or otherwise, except upon a "need to know" basis.

Your attention is specifically called to the fact that confidential information may, in some cases, constitute "inside information" (material information not yet announced or otherwise disclosed publicly). The use or communication of such information could subject the covered person and CNB to liability under the federal securities laws. These restrictions on the communication of any confidential information by covered persons include communication of such information to immediate family members, except as may be required for the proper conduct of any CNB Entity's business.

The restrictions on use, disclosure or communication of confidential information in this

Code of Conduct shall continue to apply to a covered person after such person is no longer associated in any manner with any CNB Entity.

Any questions about the use, disclosure or communication of confidential information about any CNB Entity, any customer or any other party, should be addressed to CNB's Chairman or President.

### Personal Investments

Covered persons, like any other individuals, may invest in CNB's stock and in other types of investments. However, no covered person is to engage in any such transaction or to enable or encourage others to do so as a result of "inside information" obtained from any source even if obtained by accident. Any investment in CNB's stock is to be considered a long-term investment. Speculation or active trading in CNB's stock is prohibited.

The following additional guidelines also govern personal investments of covered persons:

- \* No covered person shall request investment advice from any officer of any CNB Entity, except in the ordinary course of business or in the capacity of a customer maintaining an account relationship with an CNB Entity. The purchase or sale of any specific investment in concert with the purchase or sale by investment personnel of any CNB Entity of that same investment is prohibited.
- \* No covered person shall represent any CNB Entity in any transaction with any person or entity in which the covered person has any material direct or indirect interest.
- \* Except as set forth herein under "Investment and Credit Exceptions", no covered person shall invest in the stock or other ownership of a known customer, borrower, supplier or joint venturer of any CNB Entity, or in any other entity with a known present or prospective business relationship with any CNB Entity.
- \* No covered person, including any covered person who is in a position to influence the selection of brokers, shall accept any favors from members of the brokerage community which would in any way result in the covered person of any CNB Entity being obligated in any way to the other party.
- \* In making personal investments, all covered persons shall be guided by a keen awareness of potential conflict. No covered person's investments shall be such as to influence his or her judgment or action in the conduct of any CNB Entity's business. Nor shall any investments be such as to profit from any securities transactions made for customers of any CNB Entity.
- \* Buying stock on "margin" means borrowing money from a securities brokerage firm to finance part of the cost. All covered persons should be cautious in the use of "margin", as in the use of any other debt facility.
- \* An "option" is a right to buy (a "call") or sell (a "put") a specified amount of a given stock or other security, at a specified price, within a specified time period. All covered persons should be cautious in engaging in any "option" transactions, as such transactions are generally considered to involve high levels of risk. No covered person shall engage in any buying or selling of puts or calls on CNB stock.
- \* No covered person shall take for himself or herself a business opportunity which he or she knows, or reasonably should know, the corporation is seeking, or will be seeking, for the corporation's own benefit.

## Gifts, Entertainment and Favors

The federal Criminal Code prohibits an officer, director, employee, agent or attorney of a bank or bank holding company from corruptly soliciting or demanding for the benefit of any person, or corruptly accepting or agreeing to accept:

“anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of such institution.”

In addition to fines of up to \$1 million, the statute provides for possible imprisonment for up to one year for acceptance of something with a value of \$100 or less and up to five years for acceptance of something with a value of more than \$100. The statute contains no explicit exception in terms of “nominal” value or like expression.

### Specific Prohibitions and Exceptions

Even though the federal Criminal Code requires a specific intent to be influenced or rewarded before a violation can occur, because of the unqualified prohibitions stated in the statute and the severe penalties for violations, prudence should usually require refusal of a gratuity (any gift, favor, entertainment, loan or other thing or service having value), whatever its value.

As a practical aid in light of traditional business amenities, the following paragraphs provide general guidelines as to specific prohibitions and also possible exceptions:

#### Solicitation and Acceptance

- \* No covered person shall solicit any gratuity, whatever the form or value (including cash or cash equivalents, bonds or debt or equity interests), either for himself or herself or for any other person or organization, from any person or organization for or in connection with any transaction or business of any CNB Entity.
- \* No covered person shall accept or agree to accept any gratuity, either before or after a transaction is discussed or consummated and whatever the form or value, either for himself or herself or for any other person or organization, if the gratuity would or is intended to (or under the circumstances it could reasonably be inferred that the gratuity would or is intended to) influence such individual in the conduct of the business of any CNB Entity.

#### Exceptions

If neither general prohibition stated above is applicable, a covered person is not prohibited from accepting:

- \* Gifts, gratuities, amenities or favors based on obvious family or personal relationships, such as those between parents, children or spouses, where the circumstances make it clear that it is the relationship rather than the business of any CNB Entity which is the motivating factor.
- \* Meals, refreshments, travel arrangements or accommodations, or entertainment, all of reasonable value and in the course of a meeting or other occasion the purpose of which is to hold bona fide business discussions, provided that the expenses would be paid by a CNB Entity as a reasonable business expense if not paid by another party. Expenses not exceeding \$100 would normally be permissible under this exception.

- \* Loans from other banks or financial institutions on customary terms to finance proper and usual activities, such as home mortgage loans, except wherever prohibited by law. The person accepting the loan must ensure that the loan is not contingent upon any CNB Entity accepting or offering any other service. Such person must also ensure that any loan from a correspondent bank is made on an arm's-length basis and does not include any preferential terms.
- \* Advertising or promotional material of reasonable value, such as pens, pencils, note pads, key chains, calendars, and similar items.
- \* Discounts or rebates on merchandise or services that do not exceed those available to other customers.
- \* Gifts of reasonable value that are related to commonly recognized events or occasions, such as promotion, new job, wedding, retirement, Christmas or bar or bat mitzvah. Gifts of a value not exceeding \$50 would normally be permissible under this exception.
- \* Civic, charitable, educational or religious organizational awards for recognition of service and accomplishment. Awards not exceeding \$100 would normally be permissible under this exception.
- \* Other items of value not listed above, if prior approval is obtained as set forth herein under "Approval and Reporting Process."

### Reporting

If anything of value is offered or received by a covered person other than as permitted in "Exceptions" above, the covered person shall immediately report that fact to CNB.

### Applicability Between Financial Institutions

The federal Criminal Code prohibitions described above apply to a gratuity given by one financial institution to a representative of another unrelated financial institution, including a bank holding company as donor or recipient. All covered persons must keep this in mind in their relationships with representatives of other financial institutions. Any gratuity given in violation of the statute is a criminal offense by the donor as well as the recipient.

### Bequests, Legacies, Appointments

No covered person shall receive, directly or indirectly, any bequest or legacy from a customer of any CNB Entity, or serve as executor, trustee or guardian of any estate, trust or guardianship established by a customer of any CNB Entity.

- \* This prohibition does not apply if the customer is a relative of the covered person.

There may be an occasional instance when such a bequest or appointment is based upon a relationship with the customer other than the usual relationship with a customer. In such an instance, the covered person should consider applying for a waiver of this policy. See "Approval and Reporting Process" below.

If a covered person has knowledge of a potential gift or appointment, he or she must promptly take steps to have his or her interest removed. If there is any difficulty in doing so, the

covered person must report this fact. See “Approval and Reporting Process” below.

#### Financial Responsibility; Borrowings

Each covered person shall conduct his or her financial affairs in a responsible manner so as to be above criticism.

All covered persons shall be cautious in incurring personal debt. This statement is not intended to restrict or dissuade persons from borrowing money through arm’s-length dealings for legitimate purposes. It merely urges prudence.

Except as set forth herein under “Investment and Credit Exceptions”, no covered person shall borrow money from any known customer, borrower, supplier or joint venturer, of any CNB Entity, or from any other entity with a known present or prospective business relationship with any CNB Entity.

- \* This prohibition also does not apply to borrowing from an entity engaged in lending in the ordinary course of its business, if the loan is on terms offered to other parties under similar circumstances without special concessions.

Loans from any CNB Entity are likewise governed by regulatory rules and regulations restricting rates, terms, etc., by CNB’s general lending policies, and subject to CNB’s Insider Loans Policy when applicable. If any loan from an CNB Entity to or for the benefit of a covered person shall become a “non-performing asset” or a “problem loan” (as defined in regulations of the Securities and Exchange Commission), the covered person in question shall, upon the request of CNB’s Board of Directors, resign from all positions with any CNB Entity. Alternatively, CNB’s Board of Directors may remove such person from all such positions.

Any loan to a relative of a covered person or to an entity in which a covered person has a direct or indirect material interest must be approved by an authorized lending officer other than the covered person in question.

Except as set forth herein under “Investment and Credit Exceptions”:

- \* No covered person shall borrow money from another covered person.
- \* No covered person shall lend personal funds to any known customer, borrower, supplier or joint venturer of any CNB Entity, or to any other entity with a known present or prospective business relationship with any CNB Entity.
- \* No covered person shall co-sign, endorse or otherwise assume personal liability, contingent or otherwise, for the borrowings of any customer or prospective customer of any CNB Entity.

#### Self-Dealing, Business Opportunities

No covered person shall engage in any “self-dealing” transaction. A “self-dealing” transaction would be one in which a covered person, acting for himself or herself and also on behalf of an CNB Entity, seeks to consummate a transaction in which self-interest is opposed to duty. No covered person shall trade on his or her position with any CNB Entity.

No covered person shall accept from any person or entity doing business with, or seeking to do business with, any CNB Entity a business opportunity not available to other persons that is being made available because of such covered person’s association with CNB.

### Officers' Outside Business Activities

Except for an CNB Entity, no officer shall serve as a director or officer of a for-profit corporation or in any similar capacity for another for-profit entity, without prior approval as set forth herein under "Approval and Reporting Process".

CNB discourages all officers from taking on outside employment which will encroach upon working time, interfere with regular duties, create any conflict of interest or the appearance of such, or necessitate such long hours as to affect working effectiveness. Outside activities that raise these concerns include the following:

- \* Employment by any entity engaged in, or personally engaging in, any activity that is deemed detrimental by CNB to any CNB Entity.
- \* Providing investment advice based upon information, reports or analyses that are available primarily from or through employment with any CNB Entity.
- \* Performing accounting services for any person or entity, except those services not performed on company time and not detrimental to or in conflict with the best interests of any CNB Entity.
- \* Drawing wills or engaging in any other activity which could be construed as practicing law without a license.
- \* Use of any CNB Entity's equipment, supplies or facilities for non job-related activities.
- \* Any undertaking or endeavor that may reflect adversely upon any CNB Entity, the officer or any other officer.
- \* Statements or circumstances that may imply sponsorship, endorsement or support by any CNB Entity of any outside employer or for-profit organization.

### Community Activities

CNB encourages all covered persons to participate in, or hold office in, charitable, religious, educational or community organizations. If the nature or extent of any officer's participation in these activities will involve a significant encroachment on company time, the officer shall, before committing to such participation, obtain approval as set forth herein under "Approval and Reporting Process".

### Political Activities

Each CNB Entity is prohibited by law from engaging in politics or making contributions (which includes gifts, loans, advances, deposits of money or anything of value) or expenditures which, directly or indirectly, are in connection with any election, political convention or caucus held to elect persons to any political office.

CNB encourages all covered persons to take an active role in political activities and to support, through personal contributions if they so choose, the political parties and candidates of their choice. Any covered person who holds or seeks political office should conduct himself or herself in a manner that will not bring discredit or embarrassment to any CNB Entity, and should refrain from taking part in any issue that involves an actual or potential conflict of interest with any CNB Entity.

### Employees' Teaching, Speaking and Writing Activities

If any officer wishes to engage in any teaching, speaking or writing activity to be performed on company time, he or she must obtain prior approval as set forth herein under "Approval and Reporting Process". If any fee is offered, its acceptance is also subject to such prior approval process.

### Use of Letterhead or Official Stationery

No covered person shall use the letterhead or official stationery of any CNB Entity for personal or non-CNB -related purposes.

### Purchase, Lease or Sale of Assets or Services

If any covered person wishes to purchase, lease or sell any assets or services from or to any CNB Entity, other than the purchase of services in the ordinary course of business, he or she shall, in connection with any such proposal or bid, disclose all relevant facts and circumstances to CNB's Board of Directors, which shall make the final decision.

In any purchase, lease or sale of assets or services by or to a covered person, the price must be commensurate with the type, level, quality and value of the assets or services sold or leased. Any such price must relate to, and be based solely on the fair value of, the assets and services sold or leased. If a CNB Entity is the purchaser or lessee, the price may not exceed the amount that would have been paid to an unrelated party in the same transaction. If a CNB Entity is the seller, the price may not be less than the amount that would have been paid by an unrelated party in the same transaction.

### Investment and Credit Exceptions

Various provisions of this Code of Conduct prohibit investing in stock or other ownership of, borrowing money from, lending money to, or taking similar actions regarding, other covered persons or persons or entities with present or prospective business relationships with a CNB Entity.

These provisions do not apply to a transaction with an immediate family member of a covered person or with any corporation, partnership, trust or estate (1) in which such an immediate family member has, directly or indirectly, a majority or controlling interest, or (2) over which such an immediate family member has, directly or indirectly, majority control.

These provisions also do not apply to a transaction with any corporation or other entity, which (1) employs the covered person in his or her principal occupation, or (2) is a publicly-owned entity.

### Equal Treatment

In accordance with fair lending regulations and prudent business practices, CNB prohibits illegal discrimination with respect to the business of any CNB Entity. Therefore, no covered person shall, in conducting any business for any CNB Entity, discriminate against any individual on the basis of race, color, religion, sex, marital or familial status, age, national origin, disability, receipt of public assistance or good faith exercise of rights under the Federal Consumer Credit Protection Act.

### Approval and Reporting Process

If any covered person wishes to obtain approval of any particular action, or a waiver of any of the requirements of this Code of Conduct in any particular situation, he or she may apply for such approval or waiver, and such application will be given due consideration. Any such



application shall be made by disclosing all the relevant facts and circumstances to the approving authority, as follows:

- \* For directors, CNB's Board of Directors may grant such approval.
- \* For officers, the executive officer responsible for the CNB Entity department to which the person in question is assigned may grant such approval or waiver. In any such event, the approving officer shall promptly report such action to CNB's Chairman, President and Board of Directors.
- \* For all other covered persons, CNB's Chairman or President may grant such approval.

If any covered person is required by this Code of Conduct to report any facts, he or she shall make such report to the person or persons to whom he or she would apply for a waiver hereunder. However, possible violations of this Code of Conduct shall be reported as set forth herein at "Reporting Possible Violations".

#### Interpretations

If any officer does not understand any provision of this Code of Conduct or desires an interpretation concerning his or her own situation, such officer should consult with the executive officer responsible for the CNB Entity department to which such officer is assigned. Any other covered person should consult with CNB's Chairman or President.

#### Annual Acknowledgments

Each covered person shall, at least annually, complete and sign the attached form of Acknowledgment, and file it with CNB's Human Resources Department. If there shall be any material change of circumstances after such Acknowledgment is filed, the covered person should report that change immediately in writing to CNB's Human Resources Department.

#### Reporting Possible Violations

Any covered person having personal knowledge that a violation of this Code of Conduct may exist must immediately report the possible violation to CNB's Chairman or President and to CNB's Chief Auditor.

#### Violations, Sanctions

If any officer appears to violate any provision of this Code of Conduct, the situation will be brought to the attention of the executive officer responsible for the department to which the officer is assigned and of CNB's Human Resources Department for review. If any other covered person appears to violate any provision of this Code of Conduct, the situation will be brought to the attention of CNB's Chairman or President for review.

If it is determined that a violation of this Code of Conduct has occurred, the situation will be brought to the attention of CNB's Board of Directors for review and appropriate disciplinary action. The Board will take action commensurate with the seriousness of the conduct and its evaluation of the situation, which action can include termination of employment and similarly serious sanctions.

#### Cooperation with Legal Authorities

Each CNB Entity will cooperate with all counsel for CNB, authorities, agencies, and law enforcement officials in the investigation and/or prosecution of any violation of this Code of Conduct, which is a violation of law.

Conclusion

In this Code of Conduct, the CNB Board of Directors attempts to apply the general requirement to avoid actual or potential conflicts of interest or the appearance of such conflicts, to specific factual situations. Of necessity, there are other factual situations, not specifically addressed in this Code of Conduct, that may present conflicts problems. Therefore, no covered person should view this Code of Conduct as containing an exhaustive list of possible problems.

If a situation arises where a covered person feels uncertain as to the application of this Code of Conduct, he or she should consider requesting an interpretation, as set forth above at "Interpretations". Absent that, he or she should err on the side of caution. There is a legal duty of loyalty. That is paramount.

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Leadership is a key part of everyone's job. Leadership, by example, is by far the most effective means.

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DATED: January 14, 2003

ACKNOWLEDGEMENT

Re: CNB Financial Corporation Code of Conduct

I acknowledge that I have received, and I will comply with, the CNB Financial Corporation's Code of Conduct.

I understand that if I have questions related to this Code of Conduct I will discuss them with the appropriate party.

Signature:

Name and Title (print):

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Date: \_\_\_\_\_