

# SANDY SPRING BANCORP, INC.

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## CODE OF BUSINESS CONDUCT

Approved by the Board of Directors  
December 11, 2013

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## **PRESIDENT'S MESSAGE**

To All Employees:

Sandy Spring's corporate values are the guideposts to the work that we do for clients and each other every day, and at the very heart of those values is integrity.

Integrity means serving our clients and co-workers with the highest standards of ethics, honesty, confidentiality and respect in order to build the trust needed to create a remarkable experience.

As a financial services provider this responsibility for integrity takes on an even greater role. Our clients hold us to a higher standard, and we must be prepared to meet it consistently, day in and day out. How we conduct ourselves defines how business is conducted in our Company, and is the foundation for our reputation in the communities we serve. We cannot afford to view this responsibility as anything less than critical to our success.

Contained in this Code of Business Conduct are the policies that will help you to know what is expected of you as a part of the Sandy Spring family of companies. They are more than words on a page, however. I ask you to read them, understand them, and allow them to guide you in your work. I also challenge you to report any behavior that you believe is detrimental to the Company or in violation of the policies contained in this Code.

As a business professional, it gives me great pride to work with people I know are doing their very best for our clients.

Thank you for being part of our Company and creating a remarkable experience for those around you.



Daniel J. Schrider  
President and Chief Executive Officer

# I

## **General Statement of Policy Regarding the Code of Business Conduct**

### **GENERAL STATEMENT**

The Code of Business Conduct (“Code of Conduct” or the “Code”) of Sandy Spring Bancorp, Inc., and its subsidiaries and affiliates (the “Company”) consists of the policies adopted by the board of directors of the Company that relate to the Company’s expectations for the legal and ethical conduct by all directors, officers and employees while acting on the Company’s behalf.

This Code of Conduct is intended to comply with Section 406 of the Sarbanes-Oxley Act of 2002 as well as Nasdaq listing rules and other related regulations.

### **PURPOSE**

The purpose of this General Statement of Policy Regarding the Code of Conduct is to provide guidance regarding the Company's expectations as to the legal and ethical nature of conduct of Employees while acting on the Company's behalf, define terms used throughout the document, and to provide for the administration of the Code of Conduct.

The purpose of this Code of Conduct is to deter wrongdoing and to promote:

1. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. Full, fair, accurate, timely, and understandable disclosure in the reports and other documents that the Company files with or provides to the SEC and other governmental and regulatory agencies and in the Company's other public communications;
3. Compliance with applicable governmental laws, rules and regulations;
4. The prompt internal reporting of violations of this Code of Conduct to an appropriate person or persons identified in this Code of Conduct; and
5. Accountability for adherence to this Code of Conduct.

## DEFINITIONS

As used in the Code of Conduct:

1. “Audit Committee” means the Audit Committee of the board of directors.
2. “Bancorp” means Sandy Spring Bancorp, Inc.
3. “Board” means the board of directors of the Company.
4. “CEO” means the President and Chief Executive Officer of the Company.
5. “CFO” means the Executive Vice President and Chief Financial Officer of the Company.
6. “Chairman” means the Chairman of the Board.
7. “Company” means Sandy Spring Bancorp, Inc., a Maryland corporation and bank holding company, its principal subsidiary, Sandy Spring Bank, a Maryland chartered bank and trust company, and its subsidiaries, operating divisions, successors, affiliates and any other related entities.
8. “Employees” means all officers and employees of the Company, regardless of full-time, part-time, seasonal or other status.
9. “Laws” mean laws, rules and regulations of the United States, the State of Maryland, sister states, and all governmental agencies and authorities acting pursuant thereto.
10. “Management” means the individuals who have substantial control over the Company or who have a substantial role in policymaking within the Company, including executive officers and those individuals in charge of a major business or functional units of the Company.
11. “SEC” means the United States Securities and Exchange Commission.
12. “Senior Financial Officers” means the Company’s principal executive officers, principal financial officer, principal accounting officer or controller or person performing similar functions.

## **POLICY**

### **A. Standards of Conduct**

It is the Company's policy to observe and comply with all Laws applicable to it or the conduct of its business wherever located. In some situations, applicable Laws may conflict with other applicable Law. In such cases, the Company will endeavor to resolve such conflict following the guidance of its General Counsel or outside legal counsel, as applicable.

The Code of Conduct sets forth the specific Policies that govern the conduct of the business of the Company. These policies were developed and are intended to be applied in good faith with reasonable business judgment to enable the Company to achieve its operating and financial goals within the framework of the Law.

It is the personal responsibility of each Employee to adhere to the standards and restrictions, whether imposed by Law or the Code of Conduct, applicable to his or her assigned duties and responsibilities and to conduct him or herself accordingly at all times. Such standards and restrictions require each Employee to avoid any activities that would involve the Company in any practice that is not in compliance with the Code of Conduct. Any Employee who does not adhere to such standards and restrictions is acting outside the scope of his or her employment or agency.

Beyond legal compliance, all Employees are expected to observe high standards of business and personal ethics in the discharge of their assigned duties and responsibilities. This requires the practice of honesty and integrity in every aspect of dealing with other Employees, the Company's clients, the public in general, and the business community. All such persons shall be treated with dignity and respect and they shall not be unreasonably interfered with in the conduct of their duties and responsibilities.

Further still, an Employee is expected never to conceal an error regardless of the source, cause, or location of the error, and Employees are expected to report all concerns, suspicions, and violations to this Code of Conduct using the procedures set out in this Code.

Members of Management and Senior Financial Officers who are responsible for the preparation and filing of securities, shareholder, regulatory and other reports and disclosure documents shall ensure that such reports and disclosure documents provide full, fair, accurate, timely, and understandable disclosures. All account books, budgets, project evaluations, expense accounts and other papers utilized in maintaining business records must accurately report the matters to which they relate.

## **B. Administration of the Code of Conduct**

The Code of Conduct shall be administered as follows:

### **1. Scope of Code of Conduct**

The Board shall, periodically, in light of the experience of the Company, review the Code of Conduct, and when necessary or desirable, the Board shall amend the Code of Conduct (i) to ensure its continued conformance to applicable Law, (ii) to ensure that it meets or exceeds industry standards, and (iii) to ensure that any weaknesses revealed through monitoring, auditing and reporting systems are eliminated or corrected. If Management makes a recommendation to revise the Code of Conduct, it shall assess the risk of exposure to liability for violations of statutes and other Laws applicable to the Company's operations based on the nature and history of the Company's business operations. The Board may take such action as is required to implement such recommendations, including, but not limited to, amending the Code of Conduct. The Board may instruct Management to make recommendations regarding the Code of Conduct.

### **2. Responsibility for Administration**

The Board shall be responsible for interpreting and administering the Code of Conduct. The Board shall obtain the advice of legal counsel as it shall deem necessary or desirable in order to discharge its responsibilities. In discharging its responsibilities, the Board may delegate authority to the Audit Committee, officers and other employees and may engage such agents and advisors as it shall deem necessary or desirable.

### **3. Communication of Policies**

To ensure the continued dissemination and communication of the Policies, this Code of Conduct shall be made accessible to all Employees and directors.

### **4. Monitoring and Auditing**

The information developed by the Company's independent accountants in performing their engagement by the Company and by its internal auditors in the performance of their assigned responsibilities shall be made available to the Board in its capacity as Administrator of the Code of Conduct as a means of monitoring and auditing compliance with the Code of Conduct. The independent accountants must be given full access to all information of the Company necessary for them to properly conduct any audit of the Company or any subsidiary or division of the Company.

### **5. Disciplinary Measures**

The Company shall enforce its Code of Conduct through appropriate means of discipline. The Board shall receive reports from the General Counsel of violations of the Code of Conduct and it shall determine whether the disciplinary measures taken by Management

against any Employee who has so violated the Code of Conduct are adequate, and, if in the opinion of the Board, such measures are inadequate, it shall impose such disciplinary measures as it deems to be adequate under the circumstances.

The disciplinary measures for Employees may include counseling, oral or written reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, termination of employment and restitution.

The scope of the Board's enforcement shall include, in addition to the violator, others involved in the wrongdoing such as (i) persons who failed to use reasonable care to detect a violation, (ii) persons who if requested to divulge information withheld material information regarding a violation, and (iii) supervisors who approved or condoned the violations or attempted to retaliate against Employees for reporting violations or violators.

If any director or member of Management has allegedly violated the Code of Conduct or if any alleged violation of the Code of Conduct could have a material adverse effect on the Company, the Board shall determine the disciplinary measures to be taken with respect thereto. In all other cases Management, under the guidance of the Board, shall determine the appropriate disciplinary measures to be taken against any Employee of the Company.

## **6. Documentation**

The Company shall document its compliance efforts and results to evidence its commitment to comply with the standards and procedures set forth above.

## **7. Review and Distribution**

All supervisors are responsible for reviewing this Code of Conduct with officers and employees under their supervision.

It is also the responsibility of the Law and Corporate Government Department in cooperation with the Human Resources Department to annually affirm compliance with this Code of Conduct by all Employees and directors, and to obtain a signed certificate that each Employee and director has read and understands the guidelines and will comply with them.

## **C. Waivers or Amendment of this Code of Business Conduct**

Generally, there should be no waivers to this Code of Conduct, however, in rare circumstances a specific, limited waiver of this Code of Conduct may be made if it is determined, based on information that the Company deems credible and persuasive, that such a limited waiver is appropriate under the specific circumstances (and each fact situation will be a separate case). Waivers with respect to non-executive officers and other employees will be determined, on a case-by-case basis, by the General Counsel. For members of the Board and Management, the Board shall have the sole and absolute discretionary authority to approve any deviation or waiver from this Code of Conduct. Only the Board may amend this Code of Conduct. Any amendment of this Code or waiver that applies to a member of Management or director will be promptly and publicly reported in the manner required by law.

## **II**

# **Reporting Concerns or Possible Violations and Non-Retaliation Policy**

### **PURPOSE**

This Code of Conduct establishes various standards of behavior – some are based either in law or regulation; others aim to promote honesty and integrity in the workplace and ensure that all Employees are treated with fairness and dignity.

Employees may become aware of possible violations of the Code of Conduct or simply have concerns about particular activities. They may have personal knowledge of these events or managers may become aware of such activities through their staff. It is important that all Employees understand the procedures and principles that the Company has established to address compliance reporting.

### **POLICY**

#### **A. Non-Retaliation**

Open communication by Employees of questions, concerns or possible violations of this Code of Conduct, without any fear of retribution or retaliation, is essential to the success of this Code of Conduct. If possible violations are reported in good faith, the reporting Employee will not be subject to retaliation of any kind, regardless of whether an actual violation occurred.

Any Employee who knowingly retaliates (including but not limited to termination of employment, demotion, suspension, harassment or discrimination) because of a report or interferes with such a report will be subject to disciplinary action, including possible termination.

The reporting Employee will be subject to appropriate action if he or she is found to be in breach of the Code of Conduct.

#### **B. Means of Reporting Concerns or Possible Violations**

There are several means by which an Employee may ask a question, raise a concern or report a possible violation of the Code of Conduct.

1. Report to a manager or supervisor.
2. Report directly to the General Counsel, Ronald E. Kuykendall at 301-774-8498 or e-mail him at [rkuykendall@sandyspringbank.com](mailto:rkuykendall@sandyspringbank.com).
3. Utilize the Company's 24 hour toll-free Response Line (1-877-781-9804). Response Line services are provided by an independent, third-party vendor. Reports made through the Response Line may be made either openly or

anonymously. All such reports are promptly investigated and may, as appropriate, be provided directly to the Company's Audit Committee thereafter. (See the Whistleblower Policy and Procedures.)

### **C. Report Investigation**

All concerns or violation reports are taken seriously and will be investigated thoroughly. The reporting Employee, if known, may be contacted for additional information.

Upon receipt of a violation report, upon behalf of the Company, the General Counsel will evaluate the information provided and determine the appropriate course of action which may include the following:

1. Initiate an informal inquiry or formal investigation with respect thereto;
2. Prepare a report of the results of such inquiry or investigation, including recommendations as to disposition of such matter;
3. Make the results of such inquiry or investigation available to the Board or Audit Committee (including disciplinary action); and
4. Recommend changes in the Code of Conduct necessary or desirable to prevent further similar violations.

### **III**

## **Whistleblower Policy**

#### **OVERVIEW AND PURPOSE**

The Sarbanes–Oxley Act of 2002 (“SOX”) requires the audit committee of public companies to establish procedures to receive, retain, and act on complaints from employees and others about accounting, internal accounting controls, or auditing matters. The procedures must address what is commonly referred to as “whistleblower complaints” by establishing for “confidential, anonymous submission by employees...of concerns regarding questionable accounting or auditing matters.”

In addition, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), the Securities and Exchange Commission (“SEC”) promulgated a new rule which establishes a whistleblower award program for eligible individuals who voluntarily provide the SEC with original information about a violation of the federal securities laws that leads to a successful enforcement action and collected sanctions of over \$1 million. The SEC rule provides that award amounts may be directly affected by the reporting individual’s compliance or interference with the issuer’s internal violations reporting procedures. Accordingly, there exists an incentive for a whistleblower to first bring allegations of misconduct to the attention of a company through its established reporting mechanism.

The procedures established by the Company enable Employees to take their concerns directly to the Audit Committee with the knowledge that a specific structure is in place to act on their complaints. The procedures are designed to provide employees with a toll-free 24/7 Response Line, prioritize complaints and establish a mechanism for responding to and reporting all information.

The SOX and SEC rules and the Company’s policy and procedures provide that Employees who avail themselves of the “whistleblower” provision are protected from retaliation by their employer. No company or any officer or employee of such a company, may take any adverse action or discriminate against an employee who provides information regarding a possible violation.

#### **POLICY**

It is the policy of the Company to fully comply with all provisions of SOX and all applicable federal rules and regulations.

Sandy Spring Bancorp is committed to doing business with the highest standards of ethical behavior towards clients and Employees. To demonstrate this commitment, this policy has been implemented to allow Employees to report business risk resulting from dishonest, careless, or reckless behavior. Examples include: theft and fraud, payroll deceit and time abuse, on-the-job use of alcohol or drugs, disregard for company policies, and anything that threatens the security of the Company, co-workers, or clients.

It is the policy of the Company that officers, employees, contractors, subcontractors, or agents, may not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against

an Employee in the terms and conditions of employment because of any lawful act done by the Employee to provide information or assist in an investigation regarding any conduct that the Employee reasonably believes constitutes securities law violations or fraud against shareholders.

The Company has established specific violation reporting or “whistleblower” procedures. The procedures are designed to provide employees with a toll-free 24/7 Response Line and establish a mechanism for prioritizing and responding to all and reporting all information provided. Appropriate complaints or information will be subsequently reported directly to the Audit Committee.

## **RESPONSIBILITY AREA**

General Counsel

## **AFFECTED DEPARTMENTS**

All departments and employees of Bancorp, the Bank and its subsidiaries (collectively herein “the Company”)

## **REGULATION/LAW**

Sections 301 and 806 of the Sarbanes–Oxley Act of 2002 (SOX)  
SEC Rule 10A-3 and SEC Rule 240.21F

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## **PROCEDURES:**

1. Persons wishing to report a concern in an anonymous fashion should call the toll-free Response Line at 1-877-781-9804. This telephone number is monitored 24 hours a day, 7 days a week by Communications Specialists (“CS”) employed by a third-party compliance monitoring vendor (“Compliance Monitor”).
2. The CS will obtain the information and provide the caller with a unique identification number to ensure confidentiality.
3. Once the CS obtains all necessary information, the call will be prioritized as follows:
  - a. **Priority A** – Reports that require immediate attention because they involve an imminent threat to the safety of a person, property, or environment.
  - b. **Priority B-1** – Reports that involve serious or time-sensitive issues relative to accounting and financial reporting, internal accounting controls, and audit.
  - c. **Priority B-2** – Reports that involve serious or time-sensitive issues relative to securities laws, fraud against shareholders or reports with legal ramifications.
  - d. **Priority C** – Reports that involve “routine” employer/employees relations and corporate policy issues and generally do not require an immediate response.

4. Priority A calls will be immediately directed to the Director of Corporate Security by calling 301-401-1077 (cell) or 301-774-8485 (office). Once contacted, the Director of Corporate Security will immediately alert all appropriate parties and begin an inquiry. The Assistant Director of Corporate Security, 301-310-4922 (cell) or 301-570-8376 (office), is the alternate contact for Priority A calls. A copy of all Priority A information will be provided to the Chief Internal Auditor and the General Counsel.
5. Priority B-1 calls are documented by the CS and electronically mailed to both the Chief Internal Auditor and General Counsel. The Chief Internal Auditor will investigate all such matters and address them in his quarterly report to the Audit Committee.
6. Priority B-2 will be directed to both the Chief Internal Auditor and the General Counsel and investigated by the General Counsel and addressed in a confidential quarterly report to the Audit Committee.
7. In addition to the quarterly reporting duties noted above, Priority A, B-1, and B-2 calls will be immediately communicated to the chairman of the Audit Committee and the chairman of the board of directors.
8. Priority C calls will be directed to the General Counsel with assigned responsibility to the appropriate bank officer.
9. Priority C calls will not be reported to the Audit Committee unless subsequent inquiry identifies an accounting, internal accounting controls, audit, or securities law or shareholder fraud issue. In such a situation, reporting will be handled as set out above.
10. The Company will conduct the appropriate inquiry for all calls received through the Response Line. All subsequent communication will be conducted through the use of the anonymous caller's unique identification number.
11. The Compliance Monitor will produce a monthly summary of all calls received and forward the report at month end to the SVP, Internal Audit Department and General Counsel.
12. The Company will distribute information about the Response Line during all new employee orientation sessions.
13. The Company will distribute Response Line flyers to all areas where they will be displayed in a conspicuous manner.
14. The Company will never attempt to identify an anonymous caller unless the caller willingly provides their identity to the CS during the initial call and requests to be personally contacted by the appropriate person from the Company.

Approved by Audit Committee: August 31, 2011

## IV Conflicts of Interest Policy

### PURPOSE

This policy is intended to establish guidelines for the Company's Employees and directors in regards to conflicts of interest. A conflict of interest exists if a director's or Employee's actions are, or could reasonably appear to be, influenced directly or indirectly by personal considerations or by actual or potential personal benefit or gain. The Company recognizes that there may be times when personal interests interfere with that person's ability to objectively perform his or her daily job function creating a conflict of interest. This policy is intended to establish guidelines for conflicts of interest and give examples of things that must be avoided.

### POLICY

Employees and directors must refrain from engaging in any activity, practice, or act that conflicts with the interest of a client or the Company. The Company recognizes that decisions involving conflict of interest are not easy to make and that there are different interpretations for a given situation. **It is expected that every Employee will consult a member of Management (Senior Vice President or above) in his/her area when a potential conflict arises. The member of Management should then consult the Director of Human Resources and the General Counsel for appropriate guidance.**

#### A. Personal Banking Transactions

Most employees have accounts with the Company and will need to conduct personal business from time to time. **Employees shall not originate or process transactions affecting their personal interest in any manner not available to a non-employee.** Personal interest transactions include those affecting the Employee's own account(s) or those of the Employee's relatives, accounts of business associates, or close friends. All personal business must be transacted through normal client-processing channels.

#### B. Examples of Conflicts to be Avoided

It is impossible to describe all of the situations in which a conflict of interest may arise. The following are examples of known conflicts that must be avoided:

1. No employee should accept a personal fiduciary appointment as personal representative, trustee, guardian, or committee member, which develops primarily in the course of Company business unless the prior approval of Executive Management has been obtained and documented.
2. If the property of a client or of a trust or agency account is being offered for sale by the Company, no employee may purchase such property.

3. If an employee or a member of his/her family has a direct or indirect interest in a firm that deals with the Company, such interest must be disclosed and documented. If the interest is sufficient to affect the employee's decisions or actions, then the employee must not act for the Company in such transactions.
4. Employees may not serve as directors or officers of any for-profit organization without the prior approval of the President. No outside activity will be approved which might appear to represent a conflict of interest or which might subject the Company to criticism.
5. Employees are not to accept any employment relationship with any organization that does business with the Company or is a competitor of the Company unless approved by Executive Management. This prohibition on employment includes serving as an advisor or consultant to any such organization, unless that activity is conducted as a representative of the Company.
6. Employees are not to offer anything of value to any representative of a client, of a potential client, or of a financial institution in connection with any transaction or business that the Company may have with such client, potential client, or financial institution. (Please also refer to the Company's Acceptance of Gifts Policy for further information)
7. Employees' participation in endorsements, testimonials, or public affairs should be undertaken with caution as such actions may be misinterpreted as endorsements by the Company.

### **C. Doing Business With Clients**

The Company encourages Employees to patronize any client engaged in legitimate professional or business activities. However, information obtained through the Employee's connection with the Company must never be used in order to receive special terms, price concessions, or other personal gain.

## V

# **Internal Accounting Controls, Procedures and Records Policy**

### **PURPOSE**

This policy establishes guidelines and procedures to be followed for keeping books and records in reasonable detail to accurately reflect the Company's transactions and dispositions of assets. The Company maintains a system of internal accounting controls to ensure reliability and adequacy of its books and records and proper recording of all transactions including dispositions of assets.

### **POLICY**

#### **A. Authorization**

The only transactions to be entered into by the Company are those which are executed in accordance with Management's specific authorization or established, formalized policies and procedures.

#### **B. Approval**

No transaction will be recorded in the accounts of the Company unless it is within the scope of written policies and procedures or is specifically and formally approved by an appropriate and designated Employee. Such approval requires the determination that the transaction (i) has been authorized in accordance with this Company policy and (ii) is supported by documentary evidence to verify the validity of the transaction.

#### **C. Accounting**

All transactions entered into by the Company will be recorded in the accounts of the Company in accordance with normal, standard procedures. Each entry will be coded into an account that accurately and fairly reflects the true nature of the transaction.

#### **D. Reporting**

All transactions that have been accounted for in accordance with this policy will be accumulated and processed in a manner that will permit preparation of financial statements, reports and data for purposes of internal, public and regulatory reporting. Such statements, reports and data must be in a form sufficient to reflect accurately and fairly the results of transactions entered into by the Company and to permit proper accountability for assets.

## **E. Responsibility**

The implementation and maintenance of internal accounting controls, procedures and records that are adequate in all respects to satisfy the requirements of this policy will be the primary responsibility of the CFO.

## **F. Auditing**

Compliance with the provisions and requirements of this policy will be tested and evaluated by the Company's Chief Internal Auditor in connection with the on-going risk-based internal audit program. All control failures regarding this policy will be reported to Management so that deficiencies can be corrected and assurance of compliance with the terms of this policy maintained.

## **PROCEDURE**

1. The Company will continuously evaluate its internal accounting controls, procedures and records to ensure compliance with the requirements of this policy. Such evaluation will be documented in a form suitable for inspection by outside parties, such as regulatory authorities, if the need arises.
2. The Company will take action to remedy any deficiency in internal accounting controls, procedures and records to ensure continuing compliance with the requirements of this policy.
3. The internal audit staff, in coordination with the Company's Chief Internal Auditor, will ascertain that its audit scope, procedures and programs are adequate (i) for the purpose of testing and evaluating internal accounting controls, procedures and records and (ii) for complete reporting of deficiencies in internal accounting controls, procedures and records.
4. Deficiencies identified in individual audits will be reported to Management and the Audit Committee. Remedial action will be tracked, and reported as necessary to the same recipients as the original reports. The Company's Chief Internal Auditor will, on an annual basis, report to the Audit Committee on the adequacy of internal accounting controls, over financial reporting.

## VI

# Insider Trading, Short-term Trading, and Hedging Policy

### PURPOSE

This policy is intended to establish guidelines for Employees and directors of the Company to avoid potential damages to the Company its shareholders, directors, Employees, and clients that may result from a violation of insider trading laws or regulations or transactions that create the appearance of improper insider trading.

### POLICY

The Company has designated specific individuals who are most at risk for potential insider trading violations due to the nature of their positions and responsibilities to the Company. These individuals are referred to collectively as “the Window Group.” The Window Group includes directors and Management and may include support staff, and other employees of the Company, and potentially non-employees, when so designated by the CEO, CFO or General Counsel.

In general, the best time for the Window Group to purchase, sell, or otherwise exercise investment discretion with respect to Bancorp's common stock is after two full trading days following each public release of quarterly earnings results by Bancorp (the “Window Period”). This Window Period begins at the opening of business on the third full trading day after the date of an earnings release by Bancorp and ends at the close of business on the 15<sup>th</sup> of the month following the date of such release.

The Window Group is prohibited from trading Bancorp common stock prior to the public release of quarterly earnings results (the “Blackout Period”). These periods begin each quarter on March 15<sup>th</sup>, June 15<sup>th</sup>, September 15<sup>th</sup> and as of the December meeting of the board of directors and continue through the two full trading days after the public release of each quarterly earnings announcement.

In addition, all transactions by Employees and directors must comply with the following requirements:

1. No Employee, director, agent, or contractor of the Company may purchase, sell, or otherwise exercise investment discretion with respect to Bancorp's common stock or any other security issued by Bancorp if he or she is aware of material nonpublic information concerning Bancorp (See Use and Public Disclosure of Material Nonpublic Information).
2. No director or member of the Window Group may purchase, sell, or otherwise exercise investment discretion with respect to Bancorp's Common Stock or any other security issued by Bancorp unless he or she has provided at least four business days prior notice by phone or in writing, to the President and CEO or the General Counsel. The purpose of this notice requirement is to ensure the director or officer does not inadvertently trade at a time when Bancorp has knowledge of a significant event that has not yet been communicated to all members of the Window Group.

3. Except as required by law, no Employee or director of the Company may disclose to any person material nonpublic information concerning Bancorp, any of its clients, or any issuer of which Bancorp holds securities as an investor, trustee, custodian or otherwise.
4. All transactions in Bancorp securities by members of the Window Group Company plans are subject to this Insider Trading Policy. In addition, (i) members of the Window Group who participate in the Employee Stock Purchase Plan and the 401(k) Plan must comply with special rules designed to ensure that their plan elections and changes do not violate the insider trading laws; (ii) members of the Window Group who participate in the dividend reinvestment plan must comply with SEC Rule 144 in making any sales of stock through that plan, may not sell shares through the plan without the Company's approval, and may not use the automatic bank account cash withdrawal feature for optional purchases; and (iii) any member of the Window Group who is granted stock options under any Bancorp stock plan must abide by the insider trading rules set forth in the plan and in his or her option agreements.
5. No member of the Window Group may sell (publicly or in a private placement) or donate any of Bancorp's common stock during any period: (i) during which a potential merger, acquisition or other significant transaction involving the Company is being discussed or has been proposed but not rejected; (ii) during which Bancorp is in the process of registering securities under the federal securities laws; and (iii) between the signing of a merger or acquisition agreement and, following the consummation of the transaction, the time the Company gives notice that sales may be made by insiders; unless, in each case, the insider has given at least two business days prior notice and the Company has not objected. The purpose of this notice is to prevent violations of the special, complex rules that apply during these periods. Violations of these rules can have extremely significant adverse effects on the Company.
6. The Company considers the exercise of stock options under the Company's stock plan within one (1) month of the expiration of the grant to be exempt from this policy. In addition the purchase of shares under the Employee Stock Purchase Plan (but not the sale of any such shares) is exempt from this policy.
7. Members of the Window Group should call: (i) the General Counsel for information and assistance regarding their obligations to report their ownership of and transactions in Bancorp's Common Stock, and (ii) the Benefits Administrator in Human Resources for information regarding Company plans. The General Counsel will maintain a list of persons who are considered part of the Window Group for purposes of this policy. All other notices should be directed to the President and CEO or the CFO.

## **SHORT-TERM TRADING AND HEDGING POLICY**

While the Company encourages employees to invest in the Company securities to share in the growth and prosperity of the Company, Employees and directors are discouraged from any activity that may be considered speculating in such securities, or that may give the appearance that the efforts of Employees and directors are not fully aligned with the interest of shareholders.

Specifically, members of the Window Group are prohibited from entering into hedging or monetization transactions such as short sales, publicly-traded options, margin accounts, equity swaps, puts, calls, forwards or similar arrangements with respect to Company securities.

Members of the Window Group are also prohibited from short-term trading within six months of a prior opposite trade (i.e., may not purchase within six months of a sale or sell within six months of a purchase.).

## **VII**

### **Use and Public Disclosure of Material Nonpublic Information**

#### **PURPOSE**

This policy is intended to establish guidelines for the Company's Employees and directors for contacts with investors as well as for compliance with the United States federal statutes and regulations of the Securities and Exchange Commission (SEC) regarding the use and public disclosure of material nonpublic information, also known as inside information. This policy is to be read in conjunction with and intended to supplement the Insider Trading Policy contained in this Code of Conduct.

#### **POLICY**

The SEC, through the implementation of various United States federal statutes, and Nasdaq has promulgated various regulations regarding the use and public disclosure of corporate inside information. The purpose of such regulations is to protect the interests of shareholders by providing them with prompt and complete information about significant corporate developments which might affect the value of their investments and to assure that insiders do not profit from information not available to the investing public and to prevent unlawful purchase and sale of securities.

In general, it is a violation for any person to buy or sell securities if he or she is in possession of material nonpublic information relating to those securities. Information is "material" if it could affect a person's decision whether to buy, sell or hold the securities. Information is "inside or nonpublic information" if it has not been publicly disclosed. Furthermore, it is illegal for any person in possession of material inside information to provide other people with such information or to recommend that they buy or sell the securities. In such case, both the person who provides and the person who receives the information may be required to pay substantial penalties and could be sentenced to federal prison.

All Employees and directors of the Company should be cautious of the applicable laws about trading while in possession of inside information. The underlying principle is that all persons trading in a company's securities should have equal access to all material information about that company. For example, if an employee of a company possesses material nonpublic financial information regarding a company or its securities, that employee is prohibited from buying or selling stock in the company until the information has been disclosed and disseminated to the public. This is because the employee knows information that will probably cause the stock price to change, and it would be unfair for the employee to have an advantage that the rest of the investing public does not have.

If information of a material nature regarding corporate activities, developments or discussions becomes or threatens to become known to outsiders, the Company is required to make prompt and thorough disclosure of such information to the public (See paragraph A. below). Corporate matters

subject to this regulation have been declared to include negotiations leading to acquisitions and mergers, stock splits, the making of arrangements preparatory to an exchange or tender offer, changes in dividend rates or earnings, calls for redemption, new contracts, products or discoveries and other material developments.

#### **A. General Disclosure Policy**

It is the Company's policy to make prompt and complete disclosure of material information to the public when and as required by the rules of the SEC. Determinations regarding "materiality" involves subjective judgments; therefore questions of materiality will be determined by the CEO and the CFO, or the Audit Committee in conjunction with such legal and independent accounting advice and recommendations as may be necessary or desirable.

#### **B. Possession of Nonpublic Information**

1. **Nondisclosure.** Material inside information must not be disclosed to anyone other than persons within the Company whose positions require them to know it until the Company has publicly released the information.
2. **Trading in Company Securities.** No Employee or director shall place a purchase or sale order, or recommend that another person place a purchase or sale order, in Company securities when he or she has knowledge of material information concerning the Company that has not been disclosed to the public. Any Employee or director who possesses material inside information shall wait two business days after the information has been publicly released before trading or recommending that others trade.
3. **Trading in Other Securities.** No Employee or director shall place a purchase or sale order, or recommend that another person place a purchase or sale order, in the securities of another company (or related derivative securities, such as put or call options) if the Employee learns in the course of his or her employment confidential information about the other company that is likely to affect the value of those securities. For example, it would be a violation of the securities laws if an Employee or director learned through Company sources that the Company intended to purchase assets from another company, and then bought or sold stock in that other company because of the likely increases or decrease in the value of its securities.
4. **Persons Subject to Guidelines.** All Employees and directors of the Company must observe the prohibition on trading based on material inside information. Because of their access to confidential information on a regular basis, Company policy subjects a group of designated individuals to additional restrictions on trading in Company securities known as the Window Group (See Insider Trading Policy). The Window group must trade only during a Window Period. The restrictions for the Window Group are discussed in the Company's Insider Trading Policy. In addition, certain

Employees and directors with inside knowledge of material information may be subject to additional restrictions on trading from time to time.

5. **Equal Access.** No preferential treatment will be given to any shareholder, potential investor or security analyst; therefore, the release to any such person of any material financial or operating data relating to the Company must be available to all such persons.
6. **Forecasts.** Revenue and profit trends may be forecasted in general terms. It is the Company's policy, however not to make any specific public projections of future operating results.
7. **Authority to Release.** No financial data regarding the Company will be released to the public except as authorized, specifically or generally, by the CEO, CFO or the General Counsel.
8. **Analysts.** Due to the sensitive nature of investor relations and federal regulations relating thereto, all interviews with shareholders, potential investors and security analysts must be coordinated through the CEO or CFO.
9. **Transfers to Company.** As used in this policy, the term "trading" and variations thereof do not include sales or other transfers of stock to the Company.

### **C. Communication of Company Information**

When leaks of material information are suspected, rumored or discovered, the fact must be reported immediately to the CEO, CFO or the General Counsel.

All announcements and news released subject to statutes and regulations herein discussed must be made through the CEO, CFO or the General Counsel.

### **D. Guidance and Interpretation**

If an Employee desiring to purchase or sell any Company securities is uncertain as to his responsibilities hereunder, the Employee should contact the General Counsel for guidance in this regard.

## VIII Acceptance of Gifts Policy

### PURPOSE

This policy is intended to establish guidelines for Employees and directors regarding the offer and acceptance of gifts. This policy establishes a reasonable value for a gift or offer of entertainment to create a fair and equitable corporate setting and to not gain unfair advantage with clients or third parties, including vendors.

### POLICY

The Company prohibits Employees from seeking or accepting anything of value from any person, intending to be influenced or rewarded in connection with any past, current or future business or transaction of the Company. Therefore, no Employee shall seek or accept, directly or indirectly, a gift or anything of value involving any client, or any person or firm supplying or seeking to supply services or material to the Company.

Gifts, meals or entertainment provided to an Employee's spouse or family member are considered to have been given to the Employee.

Any gifts or offers of entertainment of more than reasonable value or that do not comply with the guidelines below must be respectfully refused in their entirety and should be brought to the attention of the Employee's manager.

#### A. Gifts (Not entertainment or meals)

In some instances, when a gift is willingly offered to an Employee, the Employee may accept the gift. Gifts of reasonable value (not to exceed \$100.00 per giver per year) from clients or vendors are acceptable when it is clear the offer was not made with the intent to put the Employee and/or the Company under an obligation. **Gifts of money (including cash, checks, or anything that may be exchanged for cash or deposited) are not permitted.** Examples under which the acceptance of gifts is permitted are as follows:

1. Gifts of reasonable value that are received in relation to a commonly recognized event, such as a promotion, new job, wedding, retirement, religious holiday, etc.
2. Advertising or promotional material of reasonable value may be accepted. Acceptable items include pens, pencils, key chains, calendars, mugs, etc.
3. Gifts that are consistent with the Company's customary business practice.

## **B. Meals and Entertainment**

Offers of hospitality or entertainment by actual or prospective clients, consultants or vendors of the Company, such as occasional meals, sporting or entertainment events, may be accepted by an Employee only under the following circumstances: (i) Employees may not solicit the offer of hospitality or entertainment, (ii) the client, consultant or vendor, as host, must be present at the event, and (iii) the value of any meals or entertainment must be limited to \$200.00 per giver per year.

## **IX**

### **Political Contributions Policy**

#### **PURPOSE**

This policy is intended to establish guidelines for the Company's Employees and directors in regards to making political contributions on behalf of the Company. The Company realizes that Employees may wish to personally contribute to a federal, state or local candidate for election and it is not the intention of the Company or this policy to affect the personal political contributions of any Employee or director.

#### **POLICY**

In general, an Employee or director may make personal political contributions, either directly or through corporation-sponsored or other political action committees, as legally permitted. Under no circumstance may an Employee coerce or pressure other Employees, clients, vendors or associates to make political contributions. Campaign contributions are not reimbursable by the Company and campaign fundraising or solicitation activities on Company premises or with the use of Company resources is prohibited.

**X**  
**Fraud Policy**  
**(Defalcation, Misappropriation, Misrepresentation and Similar Irregularities)**

**PURPOSE**

This policy establishes and communicates the Company's policy regarding the prohibition, recognition, reporting and investigation of suspected fraud, defalcation, misappropriation, misrepresentation and other similar irregularities by Employees and directors of the Company.

The Company will comply with all applicable laws and relevant industry standards and regulations concerning the detection and reporting of fraud and protection of Company assets.

This policy is intended to augment the Whistleblower Policy contained in this Code of Conduct.

**POLICY**

**A. Definition of Fraud**

The term "fraud" as used in this policy includes things such as:

1. Any dishonest or fraudulent act;
2. Forgery or alteration of documents, transactions, accounting entries, negotiable instruments such as Company checks, client records, payroll records, or compensation reports, etc.;
3. Any conversion to personal use of cash, securities, supplies or any other Company asset;
4. Any unauthorized handling or reporting of Company transactions;
5. Any falsification of Company records or financial statements for personal or other reasons; and
6. The concealment of, including the failure to report, an error or omission in a financial report or document.

## **B. Monitoring and Reporting**

The Company prohibits all fraud by its Employees (internal fraud). Further:

1. All employees have a responsibility for detecting internal fraud in the Company. However, the Director of Corporate Security assumes the primary oversight responsibility.
2. Situations involving suspected internal fraud shall be reported to the Director of Corporate Security. Any investigation of alleged fraud will be conducted under the authorization and direction of the Director of Corporate Security.
3. The Company's General Counsel and Chief Internal Auditor shall be notified by the Director of Corporate Security of suspected internal fraud without regard to amount of loss.
4. Internal fraud investigations involving more than \$10,000 of estimated loss, and any internal fraud involving accounting procedures or internal controls without regard to amount of loss, involving an officer of the Company, shall be reported by the General Counsel to the Audit Committee.
5. All Employees are expected to cooperate and assist with any investigation into alleged internal fraud.
6. Failure to report and/or cooperate in the investigation of suspected fraud, defalcation, misappropriation and other similar irregularities by Employees is grounds for termination.

## **C. Ethical Sales Practices**

Employees who are responsible for sales must ensure that their conduct meets the high standards of ethics as described in this Code of Conduct. Misrepresentation or manipulation at any time during the sales process is prohibited. In particular:

1. The altering, inflating, and/or inappropriate manipulation of sales performance or financial results or any other infraction of recognized ethical business standards, including, but not limited to the standards set forth in this Code of Conduct, will subject the Employee responsible to disciplinary action up to and including termination of employment. In addition, any incentive compensation provided by the plan to which the Employee would otherwise be entitled will be revoked.
2. Only valid sales referrals may be submitted to meet sales goals or receive credit under any sales incentive programs that may be offered by the Company from time to time.

3. Directing a client to an inappropriate or unnecessary product or service that may harm the client in order to receive credit for the sale of the product is prohibited.
4. Employees are prohibited from offering a client unauthorized incentives or discounts, or inappropriately structuring or funding a transaction in order to complete a sale. Employees must use only authorized discounts and waivers in order to attract new business.

# **XI**

## **Confidential or Proprietary Information Policy**

### **PURPOSE**

This policy is intended to establish guidelines for the Company's Employees and directors with regard to handling information of a confidential or proprietary nature. This policy establishes standards that must be maintained by persons dealing with sensitive Company information to protect the interests of the Company and those that it serves.

### **POLICY**

Employees are in daily contact with and may be apprised of confidential and privileged information about clients, directors, other Employees. All such information obtained by virtue of employment at the Company must be maintained in the strictest of confidence, and remain confidential and proprietary in nature, except when disclosure of said information is authorized or required by Law.

The Company considers any breach of confidentiality to be serious. As such Employees should never discuss confidential or proprietary information with unauthorized persons, even members of their own family, including after employment with the Company ends.

Confidential information about the Company, its shareholders, existing or prospective clients, competitors or suppliers, gained through association with the Company must be used solely for the Company's purposes. Furthermore, information concerning the Company, its shareholders, clients, and other Company records should not be removed from the premises other than for such short periods of time as might be required by individual job responsibilities. For further information see the Company's Information Security Policy which is incorporated by reference into this policy.

The relationship between the Company and its Employees is also a confidential one, and information concerning Employees should be available only to those whose job responsibilities require such information. Inquiries seeking information concerning current or former Employees must be referred to the Human Resource Department.

Employees may receive confidential or proprietary information about the Company or its clients, which if known to the public, might affect the decision of a reasonable investor to buy, sell, or hold securities. Employees are prohibited from acting upon material inside information prior to public disclosure through the purchase or sale of such securities for their own accounts or for fiduciary or agency accounts and from divulging such information to others except as required by the Company's business. (See the policy on the Use and Public Disclosure of Material Nonpublic Information)

All media inquiries and other inquiries of a general nature are to be referred to the SVP, Marketing Department or Executive Management. All press releases, publications, speeches, or other official declarations should be coordinated through the Marketing Department and must be approved in advance by Executive Management.

## **XII**

### **Equal Employment Opportunity/Diversity Affirmative Action Policy**

#### **PURPOSE**

This policy relates to all phases of employment and is intended to confirm the compliance of the Company in regards to the employment and career advancement opportunities for Employees and for all applicants for employment. This policy applies to all Company activities, including but not limited to, recruiting, hiring, placement, training, transfers, promotions, terminations, compensation and benefits.

#### **POLICY**

The Company's policy is to select, place, train, and promote the best qualified individuals based upon work-related criteria in compliance with applicable local, state, and federal laws without regard to nonwork-related factors such as race, color, religion/creed, gender, age, sexual orientation, genetic information, national origin, disability, citizenship, marital status, veteran status including employment of qualified handicapped individuals.

The Company recognizes the importance and value of diversity within the Company. People of different backgrounds bring substantial benefits to the Company. As such, the Company is committed to creating and maintaining a diverse work environment to enhance our community perspectives in order to maintain a competitive edge. It is the Company's belief that in doing so strong candidates will seek employment with the Company resulting in benefits to our employees, clients, shareholders and to the Company.

Requests for reasonable accommodation should be made to the Director of Human Resources and may be made by completing a Request for Accommodation form. After the request is received, the Director of Human Resources and the individual will determine the precise limitations created by the disability and how best to respond to the need for accommodation. Any discussions about the accommodation and the final determination about the accommodation will be documented. The Company will provide a copy of the document to the employee and retain one a copy for its records. The Company may also request documentation about the extent of the disability in order to confirm the disability and to help identify the appropriate accommodation, including but not limited to medical certification. The Company reserves the right to require a second opinion by a physician of our choosing at our expense.

The Company annually designates an Affirmative Action Officer and publishes such designation on the Company's intranet. Questions concerning the implementation or interpretation of this policy should be directed to the Company's Affirmative Action Officer.

Any communication from an applicant for employment or an employee concerning equal employment opportunity or diversity matters or compliance thereof should be referred to the Affirmative Action Officer for handling. All complaints will be promptly investigated with high

regard for confidentiality. If the investigation substantiates that the complaint is valid, immediate corrective action will be taken. Such corrective action may, in appropriate instances, include discipline (up to and including termination of employment) of the offending person. The person who submits the complaint pursuant to this policy shall not be retaliated against or adversely treated with respect to the terms and conditions of employment.

Any communication from an attorney or governmental agency concerning equal employment opportunity or diversity matters or compliance with this policy should be referred to the General Counsel.

## **XIII Harassment Policy**

### **PURPOSE**

This policy is intended to express the views and intolerance of the Company in regards to harassing behavior in the workplace. The Company's goal is to provide a productive and positive workplace free from tensions involving matters that do not relate to the Company's business.

### **POLICY**

#### **A. Scope of Policy**

The Company strictly prohibits harassment of and by Employees, applicants for employment, clients, vendors, and other third-party associates. Inappropriate nonwork related conduct includes ethnic, racial, sexual or religious remarks, animosity, unwelcome sexual advances or requests for sexual favors and other inappropriate conduct, all of which will not be tolerated.

Harassment includes, but is not limited to, verbal harassment (epithets, derogatory statements, slurs), physical harassment (assault, touching, blocking a person's path), visual harassment (posters, cartoons, drawings), and innuendo (sexual or ethnic oriented jokes or comments).

#### **B. Sexual Harassment**

Sexual harassment includes, but is not limited to, unwelcome sexual advances, requests for sexual favors, conduct, or visual forms of harassment of a sexual nature when submission to such conduct is either explicitly or implicitly made a term or condition of employment (quid pro quo) or is used as the basis for employment decisions. Behavior may also be considered sexual harassment when such conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

#### **C. Reporting Harassment**

Employees who believe they may have been victimized by harassing behavior should contact their supervisor after first addressing the issue with the other Employee. Their supervisor should immediately report the behavior to the Director of Human Resources for immediate investigation. If an Employee wishes, complaints can be made directly to the Director of Human Resources or the General Counsel or anonymously using Response Line (*See Whistleblower Policy for information on Response Line*). All complaints will be handled with the utmost regard for confidentiality.

#### **D. Investigating Harassment Allegations**

Allegations of harassment will be diligently investigated and a report will be made to the complaining party concerning the results of the investigation. If it is determined that harassment has occurred, appropriate relief for the employee bringing the complaint and appropriate

disciplinary action against the harasser, up to and including termination will follow. (A nonemployee who subjects an Employee to harassment in the workplace will be informed of this policy and appropriate action against such individual will be taken.)

**E. Non-retaliation**

The Company does not tolerate retaliation of any sort against an employee who complains of harassment or provides information in connection with investigation of harassment (See Reporting Concerns or Possible Violations and Non-retaliation Policy).

## XIV Social Media Policy

### PURPOSE

The internet has made a significant impact in shaping public perception about the Company and our existing and potential products, services, employees, partners, vendors and clients. Just as the internet has changed the world forever, social media has changed the way we communicate.

Social media can take many different forms, including internet forums, blogs, microblogs, online profiles, wikis, podcasts, pictures, video, email, and instant messaging to name just a few. For purposes of this policy all such examples and similar future channels will be referred to collectively as “Social Media.”

The need for this online collaboration is understood, and Management believes Social Media can be a valuable tool in telling the Sandy Spring story, reaching new and existing clients, generating interest in our products and services, developing business opportunities, monitoring client behaviors, and creating a different and unique client experience. However, participation in Social Media can pose significant risks for individuals and the Company if not managed carefully. In addition, Employees who participate in Social Media for any reason must always understand that they are representing not just themselves but the Company as well.

The policy has been established to ensure Employees understand the requirements and expected conduct for participation in business-related Social Media as well as to provide Employees with guidelines on responsible personal use of Social Media.

#### A. Business Use of Social Media

While we realize that there may be value in utilizing social networking for business-related purposes, it is very important that it is used in a way that appropriately represents the Company. **Therefore, any Employee who wants to use social media for business-related purposes must be pre-approved by the Social Media Advisory Committee (the “Committee”).** Approval by the Committee will be based upon such factors as the Committee deems appropriate and subject to the Employee’s compliance with this policy.

All requests to use Company-related information on Social Media sites for business purposes must also be pre-approved by the Committee and comply with this policy and the guidelines as outlined in the Social Networking Submission Form. This may include but is not limited to information used for marketing purposes such as rate and product information and special promotions or events, for employee recruitment purposes, or for comments of any kind. Requests must be submitted to the Committee and include a copy of the proposed web posting.

To ensure that proper legal disclosures and regulatory compliance are adhered to at all times, all Employees who have been approved to use Social Media for business related purposes must have their social media website(s) directly linked to the appropriate company approved site. A member

of the Marketing or Information Technology Departments is available, if needed, to set up and assure that the link is connected and working properly.

If an Employee is FINRA and/or insurance licensed and has licenses associated with third party vendors, adherence to the third party vendor policies as well as those outlined here, including pre-approval of any media content, must be followed.

Employees using Social Media for business purposes are expected at all times to clearly identify themselves and their position within the Company.

The use of social networking during business hours is restricted to business use only. Further requirements on using Social Media for business purposes are listed under “Responsible Use of Social Media” below.

## **B. Personal Use of Social Media**

The Company understands the popularity of Social Media and its importance as a communication tool. Social Media for personal reasons can be a fun and valuable experience. Employees who choose to participate in these media are encouraged to do so responsibly. All personal use of Social Media must be done outside of work hours.

Online profiles or other posted information may indicate that you are an Employee of the Company. This information is published in a very public place. As an Employee, you must always remember that you represent the Company when participating in any social media activity. Therefore, it is critical that you are aware of the potential perceptions of those that are accessing information you post through social media. Employees should also be aware that they are not anonymous when they make online comments. Even information posted anonymously or under a pseudonym, can still reveal the user’s identify. The old saying that perception is reality holds true in the cyber world where there is often no line between what is public and private, personal or professional.

Employees may never discuss or display products, services, rates, terms, or any other related information about Sandy Spring Bank or its affiliates on their personal Social Media. Without proper legal and regulatory compliance disclosures, costly risks can result for both the employee personally and the Company. Any questions regarding what can and cannot be posted should be directed to the Director of Marketing or Director of Human Resources.

## **C. Responsible Use of Social Media**

**The following principles are expected to be followed by Employees using Social Media for business purposes. In addition, they are also considered a good set of guidelines for Employees to consider while using Social Media for personal reasons.**

1. First and foremost, remember that Employees represent the Company when participating in any Social Media activity. Employees should avoid any communications that might be construed in a way that could damage the

Company's goodwill and reputation, even indirectly. Employees should never post obscenities, slurs or personal attacks that can damage someone's reputation or that of the Company.

2. Employees should live out the Sandy Spring values at all times. Be respectful of others. Think of what is said online in the same way as statements made to the media or emails sent to people you do not know.
3. Employees should understand that there is no right of privacy in the use of Company equipment. This lack of privacy includes your access to or communication through Social Media.
4. Employees should make it clear in any social media postings that the views expressed are on the Employee's personal behalf by using the following disclaimer: *"The postings on this site are my own comments and opinions. I do not represent my employer in my postings on this site and the postings do not represent the view of my employer."* Employees should neither claim nor imply that they are speaking on behalf of the Company unless specifically authorized to do so by the Company. Be careful providing references on social or professional networking sites as such references, positive or negative, can be attributed to the Company and potentially create legal liability.
5. Employees should make sure communications are in good taste and stated professionally using appropriate language, spelling, and grammar. They should not denigrate or insult others, including the competition. Comments should be truthful, accurate, and diplomatic, and any mistakes should be corrected immediately. It is also appropriate to cite the source of information.
6. Financial, confidential, sensitive or proprietary information about the Company or any of our clients, business partners, employees, shareholders, or other similar parties must never be posted.
7. Employees should never make any statements regarding the Company's performance or about its publicly-traded stock.
8. Social Media should never be used in any way that defames or disparages the Company, Employees, clients, business partners, suppliers, vendors, or other related parties. False information about the Company, Employees, clients, vendors, business partners, competitors, and their employees is prohibited.
9. Social Media sites are not the forum for venting personal complaints about supervisors, co-workers, or the Company. Employees with concerns or issues should use the established problem resolution process.
10. Employees should never use any Company logo on social media sites without the prior approval of the Director of Marketing. Employees should never infringe on copyrights or trademarks or use images without specific permission from the owner.
11. Protecting the Company's goodwill, brands, and reputation is every Employee's job. Any unfavorable opinions, negative comments or criticisms about the Company, should be forwarded to the Director of Marketing to allow subject matter experts to respond. Employees should not personally attempt to have the post removed or send a written reply. In addition, Employees should not respond to any media inquiries, but should refer them to the Marketing Department.
12. Social Media sites are targets for criminals and due care should be taken when posting personal information that could be used for identity theft. Astute criminals

- can piece together information provided on different sites and then use it to impersonate the Employee or an associate.
13. Use privacy settings when appropriate. Remember, the internet is immediate and nothing posted is ever truly private nor does it expire.
  14. Be careful when visiting links or sites recommended through Social Media. Protection of personal computing devices and/or the Company's computer systems is the responsibility of all Employees as outlined in the Information Security Policy.
  15. Employees are personally responsible for what is communicated in Social Media. When in doubt, do not post. If an Employee is uncertain or concerned about the appropriateness of any statement or posting, it is best to refrain from making the communication or get approval from the Director of Marketing.
  16. Any restrictions outlined in this policy apply to an Employee's use of any computing device (whether owned by the Company or the Employee) for any business purpose.
  17. Employees are expected to review and understand the specific terms of use for any Social Media site hosted by the Company, which can be found on each website.
  18. Upon termination of employment with the Company, an Employee must remove any information that indicates he or she is still an Employee as well as any information that references Company products, rates, promotions, events, or other related material.
  19. The Company recognizes that some decisions with respect to appropriate use of Social Media are not always easy to make. Any questions regarding the use of Social Media should be directed to the Director of Marketing or the Director of Human Resources.

#### **D. Social Media and Other Company Policies**

All of the Company's policies that might apply to the use of Social Media remain in full force and effect. Employees are expected to know and adhere to the Code of Business Conduct, Information Security Policy, Internet Banking Policy, Privacy Policy, and all other applicable Personnel or other Policies at all times when using social media. Employees are also expected to abide by any and all applicable Laws in all postings.

#### **E. Monitoring and Enforcement**

The Company may monitor Social Media sites for violations of this policy. Violations of this policy should be reported to your manager or to the Director of Human Resources. Employees who violate this policy may be subject to corrective action, up to and including termination of employment.

**XV**  
**Policy For The Recovery Of  
Performance Compensation  
[A/K/A “Clawback” Policy]**

**Purpose and Regulatory Background**

The board of directors intends for this policy to comply with Section 10D of the Securities Exchange Act of 1934 as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

**Policy Statement**

In the event the Company is required to prepare an accounting restatement due to the material noncompliance by the Company with any financial reporting requirement under the securities laws, the Company, at the direction and sole discretion of the Compensation Committee and the board of directors, will recover from any current or former executive officer of the Company who received incentive-based compensation (including stock options awarded as compensation) during the three years preceding the date on which the Company is required to prepare the accounting restatement, based on the erroneous data, in excess of what would have been paid to the executive officer under the accounting restatement.

This policy shall not limit the rights of the Company to take any other actions or pursue other remedies that the board may deem appropriate under the circumstances and under applicable law. Nothing contained in this policy shall limit the Company’s ability to seek recovery, in appropriate circumstances (including circumstances beyond the scope of this policy) and as permitted by applicable law, of any amounts from any individual, whether or not an executive officer.

This Clawback Policy may be amended from time to time by the board.

\* \* \* \*

Approved by Compensation Committee: November 28, 2012

Approved by Board of Directors: December 12, 2012

**Receipt of Policies and Procedures  
and  
Acknowledgment of Duty of Compliance**  
(Signature Required)

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**NEW HIRE CERTIFICATION OF COMPLIANCE**

As a new Employee, it is important to know and adhere to the established policies of the Company. Enclosed in your new hire packet are summaries of these policies and they are yours to keep. All the Company's policies are posted in their entirety on the Intranet site: <http://springnet/default.aspx>, under Policies and Procedures. It is incumbent upon you to read and follow these policies. Once you have read these policies, please sign in the space indicated below. By signing this memo, you agree to abide by all the conditions outlined in these policies. This memo will be kept in your personnel file in the Human Resources Department. If you have questions, please call Human Resources at 301-774-6400, x6462. You have five (5) days from your start date to complete this certification.

- ✓ **Personnel Policies Manual**
- ✓ **Information Security, Personal Computer, Internet, and E-Mail Access Policy**
- ✓ **Privacy Policies to include:**
  - **SSB Privacy Notice**
  - **Identity Theft / Pretext Calling Policy and Procedural Guidelines**
  - **Marketing Preference Policy – Procedure Do Not Call**
  - **Marketing Preference Policy - CAN-SPAM Policy**

I acknowledge access to the above mentioned policies and further acknowledge that:

1. I have read and understand the policies.
2. I understand the policies are to be adhered to by all Employees of the Company.
3. I further understand that the Company's policies impose duties on me as an Employee of the Company, and I shall conduct myself within the parameters established by the policies.
4. I understand that non-compliance by an Employee can result in disciplinary action, including but not limited to, termination of employment.

Print Name: \_\_\_\_\_

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

Signature: \_\_\_\_\_