

## CODE OF ETHICS



As Reaffirmed on May 21, 2013

SUFFOLK BANCORP and Subsidiaries

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The first and most significant element of a financial institution's relationships with its customers, regulatory agencies, and the communities it serves is trust. In recognition of the importance of that trust, it is the policy of Suffolk Bancorp and its subsidiary, The Suffolk County National Bank, to maintain the highest standard of integrity in the conduct of its business.

This code of ethics should guide directors, officers, and employees of the Company and its subsidiaries in the ethical discharge of their responsibilities, and help them comply with federal bank bribery law (18 U.S.C., Section 215 as amended) and with the policies of the Federal Financial Institutions Examination Council released on April 27, 1987 which include the guidelines of the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency.

- I. Each director, officer, and employee of the Company should be familiar with the law which provides in pertinent part:

"Whoever --

- A. "corruptly gives, offers, or promises anything of value to any person, with intent to influence or reward an officer, director, employee, agent, or attorney of a financial institution in connection with any business or transaction of such institution; or
- B. "as an officer, director, employee, agent, or attorney of a financial institution, corruptly solicits or demands for the benefit of any person, or corruptly accepts or agrees to accept anything of value from any person intending to be influenced or rewarded in connection with any business or transaction of such institution;

"shall be guilty of an offense."

- II. Each director, officer, and employee of the bank shall:

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- A. respect the nature of privileged or confidential information concerning customers or the company's business.
- B. not use information obtained in the conduct of the company's business for personal or business advantage.
- C. be certain that a position held with the company is not used to obtain an unauthorized, illegal or questionable benefit for a customer, supplier or other outside party.
- D. not use a position at the company to gain an unauthorized, illegal or questionable benefit for the company or oneself.
- E. not accept gifts from customers, suppliers, business associates, or competitors of the company and its subsidiaries having a value of more than \$25 or accept cash gifts of any amount, except where the relationship of the director, officer or employee to the donor is primarily and demonstratively personal in nature, and the gift is not intended to influence a business decision in any way.
- F. not accept meals or entertainment of a value greater than is customary in the conduct of the business at hand.
- G. avoid any conflict or appearance of conflict of interest between professional or fiduciary duties to the company or its customers, and any employment, partnership, investment or directorship in any outside business venture.
- H. disclose all things of value received or offered beyond what is authorized in this code and all potential conflicts of interest, including those in which they have been inadvertently placed due to either business or personal relationships with customers, suppliers, business associates, or competitors of the company to the secretary of the corporation in writing.
- I. not trade in stock of the company based on information which is not generally available to the investing public.

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- III. When questions arise concerning the ethics of a particular action, the director, officer, or employee should submit it in writing to the secretary of the corporation. If the secretary believes that there is a conflict with the code of ethics, it should be referred to the chief executive officer. If, in the opinion of the chief executive officer, it requires further discussion, it should be referred to the board of directors for resolution. Any such discussions should be summarized in written form, including a description of the situation and the determination of the chief executive officer or the board of directors, and filed with the secretary of the corporation.
- IV. All disclosures shall be made to the secretary of the corporation in writing. It is then the duty of the secretary of the corporation to review the situation, and make a preliminary determination as to whether the exception to the code is indeed ethical, subject to the review of the chief executive officer, and maintain a contemporaneous written record.
- V. Each director, officer, or employee of the bank should acknowledge that they have read the code of ethics, in writing, when they first become associated with the company, and after each revision or update of the code.

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### **APPENDIX A to Code of Ethics**

#### **Suffolk Bancorp: Code of Ethics for Senior Financial Officers**

The Board of Directors of Suffolk Bancorp has adopted this Code of Ethics for Senior Financial Officers (the "Financial Officers' Code of Ethics") for Suffolk Bancorp and its wholly owned subsidiary, The Suffolk County National Bank of Riverhead (together, the "Company"). This Financial Officers' Code of Ethics applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (collectively, the "Financial Officers").

This Financial Officers' Code of Ethics is intended to further emphasize and promote honest and ethical conduct for Financial Officers, and to deter wrongdoing, particularly as related to the maintenance of the Company's financial records and the preparation of its public financial reports. As such, this Financial Officers' Code of Ethics is a supplement to, and not a replacement for, the Company's other policies, including the Code of Ethics.

While no code or policy can anticipate every situation that may arise, this Financial Officers' Code of Ethics is intended to serve as a source of guiding principles.

#### **Compliance with Laws**

Financial Officers are expected to comply with all applicable governmental laws, rules and regulations, as well as the rules adopted by any exchange upon which the Company's securities are listed, in carrying out their responsibilities to the Company and in their personal lives.

#### **Honest and Ethical Conduct**

Financial Officers are expected to adhere to a high standard of ethical conduct, and carry out their responsibilities with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships

#### **Financial Disclosure and Reporting**

Financial Officers are responsible for the complete, accurate and timely preparation of the Company's financial reports. They are expected to:

- a) Establish and maintain a system of internal accounting controls and procedures, designed to accurately and completely process, record and report the business activities of the Company.

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- b) Establish and maintain a system of controls and procedures designed to ensure that all material financial information is reported to the public on a timely basis, in accordance with generally accepted accounting principles and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the "SEC").
- c) Provide full, fair, accurate, and timely disclosure in reports and documents that the Company submits to the SEC and in other public financial communications.
- d) Exercise due diligence in the conduct of their profession, always maintaining objectivity and independence of thought.
- e) Maintain their professional knowledge and skills at the highest level commensurate with their responsibilities.

Financial Officers are prohibited from taking any action directly or indirectly to fraudulently influence, manipulate or mislead the Company's independent public auditors.

### **Reporting Violations**

Financial Officers are obliged to report suspected violations of this Financial Officers' Code of Ethics to the chairman of the Audit Committee of the Company's Board of Directors (the "Audit Committee"). The Company will not retaliate against Financial Officers for reports made in good faith.

### **Responsibility and Accountability**

Financial Officers are responsible for their personal adherence to this Financial Officers' Code of Ethics, and they will be held accountable for their actions. They are encouraged to bring any questions regarding the application of this Financial Officers' Code of Ethics to the attention of their immediate supervisor or to the chairman of the Audit Committee.

Failure to observe the terms of this Financial Officers' Code of Ethics may result in disciplinary action, up to and including termination of employment. Violations of this Financial Officers' Code of Ethics may also constitute violations of laws and regulations, which could result in civil and criminal penalties.

Any change, amendment or waiver of this Financial Officers' Code of Ethics will be disclosed on a timely basis in accordance with the requirements of applicable law and the requirements of any exchange upon which the Company's securities are listed.

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**ACKNOWLEDGEMENT  
OF THE  
CODE OF ETHICS  
OF  
SUFFOLK BANCORP  
AND  
SUBSIDIARIES**

To: The Board of Directors

From: (Name)\_\_\_\_\_

I have read the Code of Ethics for Suffolk Bancorp and its Subsidiaries.

Signature\_\_\_\_\_

Date\_\_\_\_\_

(Please return to the Human Resources Department)