

# **FSB COMMUNITY BANKSHARES, INC.**

## **CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS**

### **INTRODUCTION**

All employees, directors, and officers of FSB Community Bankshares, Inc. (the “Company”) are expected to comply with the Company’s Code of Conduct and Ethics. In addition, the Board of Directors has adopted a policy for Senior Financial Officers in order to promote honest and ethical conduct, proper disclosure of financial information in periodic reports, and compliance with applicable laws, rules and regulations.

The term Senior Financial Officer, as used in this policy, applies to the Chief Executive Officer, Chief Financial Officer, Treasurer, Controller, and any other Executive Officers as determined under the Federal Securities laws and Regulation O.

### **GENERAL STANDARDS OF ETHICAL BEHAVIOR**

In performing their duties, Senior Financial Officers will:

- Conduct their personal and professional affairs in a way that avoids both real and apparent conflicts of interest between their interests and the interests of the Company.
- Refrain from engaging in any activity that would compromise their professional ethics or otherwise prejudice their ability to carry out their duties to the Company.
- Communicate to executive management of the Company, to the Board, and to accountants engaged in financial audits of the Company, all relevant unfavorable as well as favorable information and professional judgments or opinions regarding the Company’s financial performance, processes, and procedures.
- Encourage open communication and full disclosure of financial information by providing a well understood process under which management and the Board are kept informed of financial information of importance, including any departures from sound policy, practice, and accounting standards.
- Ensure that all relevant staff members understand and promote the Company’s open communication and full disclosure standards and processes.
- Refrain from disclosing confidential information acquired in the course of their work to unauthorized persons or parties, unless legally obligated to do so.
- Educate subordinates, as appropriate, regarding the confidentiality of information acquired in the course of their work and monitor, as needed, to ensure that subordinates maintain that confidentiality.
- Refrain from using, or appearing to use, confidential information acquired in the course of their work for unethical or illegal advantage, either personally or indirectly through others.

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### **STANDARDS REGARDING FINANCIAL RECORDS AND REPORTING**

Senior Financial Officers will:

- Establish appropriate systems and procedures to ensure that business transactions are consistently recorded on the Company's books in accordance with Generally Accepted Accounting Principles, established Company policy, and the appropriate regulatory pronouncements and guidelines.
- Establish appropriate policies and procedures for the protection and retention of financial and accounting records and information as required by applicable law, regulation, or regulatory guidelines.
- Establish and administer financial accounting controls that are appropriate to ensure the integrity of the financial reporting process and the availability of timely, relevant information for the safe, sound, and profitable operation of the Company.
- Completely anticipate and disclose all relevant information reasonably expected to be needed by the Company's regulatory examiners, internal and external auditors, and legal counsel for the full, complete, and accurate discharge of their duties and responsibilities.