



**Code of Ethics**  
Board Approval 05/29/2024

# Code of Ethics

## GENERAL POLICY STATEMENT / INTRODUCTION

The success and reputation of Hanover Community Bank or its holding company, Hanover Bancorp, Inc. (collectively “Hanover”) will be determined, in no small part, on the standard of personal and professional integrity with which its employees, officers, and directors conduct themselves. In pursuit of Hanover’s goals, each employee, officer and director is expected to adhere to business procedures and practices that are in accordance with the letter and spirit of applicable federal and state banking laws and regulations. Employees are expected to conduct themselves on the basis of moral and ethical principles reflecting the highest standards of business and individual behavior.

The Board of Directors has adopted this Code of Ethics to assist our employees in understanding the principles of conduct to which they must adhere in order to fulfill the legal, moral and ethical obligations each assumes as an employee. It serves both as a method to review and reaffirm the high standards of conduct that are associated with ethical business practices and as a corporate-wide statement of Hanover's commitment to these standards.

Individual employee standards produce company standards. Therefore, employees may periodically be requested to affirm in writing that they adhere to this Code. This Code of Ethics covers Hanover. Any violation of this Code of Ethics by any employee, as defined, may result in disciplinary action, up to and including discharge.

## DEFINITIONS

*Employee*- Except where otherwise specifically indicated, includes all directors, officers, and employees of Hanover.

*Review Procedure*- The means by which approval for a particular course of action may be requested by an employee. Employees shall seek review by the senior management officer in the employee's department or group, usually a senior vice president or an executive vice president. Senior vice presidents and above should seek review from their immediate supervisors, in most cases the Chief Executive Officer. Requests and the reviewers' responses must be in writing and shall be retained in employee personnel folders. Directors and the Chief Executive Officer shall seek review by the Audit Committee Chairman.

As a written code cannot answer all questions raised in the context of business relationships, every employee shall accept their primary responsibility to recognize and respond to specific situations as they arise. Questions and concerns about doubtful situations, potential misconduct, conflicts of interest, standards and integrity of performance should be addressed as follows:

- By Employees: To the Director of Human Resources.
- By Directors: To the Audit Committee Chairman.

This policy will be reviewed and approved once per calendar year by the Board of Directors.

## **CONFIDENTIAL INFORMATION**

### **A. Confidential Information about Others**

All employees (as defined above) must safeguard confidential information about customers, potential customers, shareholders, or employees, and their accounts (including sales and profit data, credit information, financial condition, and business transactions). In particular:

1. Caution and discretion are required in the discussion, use, and sharing of information within Hanover. Such matters should not be discussed among employees unless there is a valid business reason (i.e. a "need to know") for doing so.
2. Requests for information regarding current or former employees should be referred to the Director of Human Resources.
3. The disclosure of information concerning an applicant or customer is permitted when it complies with applicable federal or state laws.
4. Inquiries for confidential information by tax authorities, law enforcement agencies, attorneys, or private parties involved in litigation shall not be divulged unless Hanover has received either written consent of the individual, or the appropriate court order or subpoena, and release has been authorized under normal operational procedures.
5. Employees should avoid any discussion of confidential information or customer relationships in public places.
6. Directors should act in good faith in matters involving a customer or prospect of Hanover when that customer or prospect is a competitor, customer, or supplier of the Director. In such instances, the Director should use proper judgment when participating in any matters or discussions involving such accounts and in all cases should abstain on any matters during discussion or pertaining to a vote involving such accounts.

### **B. Hanover Community Bank or Hanover Bancorp, Inc. Confidential Information**

Hanover provides its employees with access to its physical resources and proprietary information and with knowledge and experience in the technologies developed or used by Hanover. Employees are responsible for the proper use of Hanover physical resources and proprietary information and for taking appropriate steps to assure the security of such resources and information. Accordingly, employees may not disseminate, sell or otherwise use Hanover physical resources or proprietary information for their personal benefit or for the benefit of a third party. This restriction continues to apply after employment terminates, regardless of the reason for termination. The proper use of Hanover resources includes uses only for those activities that are directly related to Hanover business or that have been approved in advance by management.

Financial information about Hanover is not to be discussed with or released to any person or entity unless it has been published in reports to our shareholders or otherwise made generally available to the public in the ordinary course of business as so determined by the Board of Directors, Chief Executive Officer, and/or Chief Financial Officer and/or Chief Risk Officer.

Employees are strongly advised to refer all inquiries from the media to the attention of the Chairman & CEO. Employees should obtain prior approval before discussing the Bank's policies, procedures or affairs with an outside party. This policy insures that the message being conveyed

to the media and other groups is consistent throughout the Bank. Employees must be aware that any product, program or writing developed or produced by Hanover employees during work time, by using Hanover facilities or as a result of performing their responsibilities, is the property of Hanover.

Employees should take appropriate steps to protect all Hanover proprietary interests, both while employed by Hanover and after leaving its employ. Further, copying any records for any purpose other than a necessary job-related activity is strictly prohibited. No Hanover records, information or copies thereof may be retained by an employee following termination of employment. Upon request, an employee leaving the Bank may obtain a copy of the employee's personnel file from Human Resources.

### **C. Third-Party Proprietary Information**

Employees are responsible for using the patented, copyrighted, or other proprietary material or information of a third party in compliance with applicable provisions of any contract between Hanover and the third party.

Hanover, as well as individual employees, may be held liable for both civil damages and criminal penalties for copyright, trademark, or patent infringement and for any other illegal or improper use of another's property. Employees must also be aware that other uses of third party materials or information, such as the duplication of computer software and the downloading of data from information retrieval services (data bases), may also require the holder's/owner's permission. Employees are encouraged to consult their immediate supervisor or the Chief Risk Officer regarding the photocopying, duplication, reproduction, data downloading, or other use of proprietary material or information owned by a third party.

### **CONFLICTS OF INTEREST**

A possible conflict of interest exists whenever an employee has an interest in any entity or matter that may influence a decision or cloud the individual's judgment in the discharge of the employee responsibilities. All individuals should conduct their personal affairs so as to avoid conflict of interest situations. As a result, joint business ventures amongst Officers and Directors are discouraged because the venture may imply bank sponsorship. In case of doubt, it is the individual's obligation to secure clarification by means of the Review Procedure.

It is the duty of every employee to avoid any situation in which the employee, or a family member, might profit personally (directly or indirectly), or give the appearance of profiting personally, from Hanover facilities or from relationships with its customers.

Should a situation arise where an employee of Hanover becomes aware of irregularities, or non-compliance with provisions of the Code of Ethics, on the part of another employee, confidential disclosure of such should be directed to the CEO or to the Director of Human Resources, as appropriate. Employees may also report their concerns to the Audit Committee Chairman.

In connection with the Regulation O Policy, the Board of Directors must be notified of violations of the Code of Ethics and consequences of breaches of fiduciary duty, unethical conduct, violation of law and reporting considerations, including SARs.

## **HANDLING PERSONAL TRANSACTIONS**

Transactions, including maintenance updates, involving an employee's own accounts or the accounts of family members or any other relative should be referred to another employee or the manager to process. An employee may not make decisions, approve transactions, or direct others to approve transactions on such accounts in any manner that would inappropriately influence the results of those transactions. As used here in the Code of Ethics, family member means your spouse, child, parent, grandparent, sibling, parent-in-law, other family members, or any other individual with whom you have an especially close relationship.

## **COMPENSATION AND GIFTS**

### A. Compensation and Gifts

#### *General*

The Federal Bank Bribery statute prohibits any Banker from corruptly offering or receiving anything of value, where the item of value is offered with the intent of influencing the Banker or a business transaction. This law is broad and carries severe criminal penalties, including fines and/or imprisonment.

No employee shall solicit or receive anything of value (be it money, goods, or services) in any amount, as a quid pro quo (something received or given as a personal reward for preferential action or service by a Banker) or as a "gratuity," in connection with the business of Hanover. This includes, for example, compensation of any kind from any source for rendering services of a type which might properly be performed by Hanover as one of its regular services. Employees may not do indirectly what they are prohibited from doing directly; e.g. arrange to have a prohibited gift made to a member of their family. Any gift of a beneficial interest or legacy under wills or trusts of customers of Hanover, other than a relative, must be reported to the Director of Human Resources at such time as the employee or employee's spouse learns of such designation. Similarly, an employee should avoid giving gifts, meals, or entertainment intended to influence unfairly, or that might give the appearance of unfairly influencing, a business decision. An employee should never give any gift, meal or entertainment, which is unreasonable or extravagant.

#### *Permissible Gifts to Employees*

Employees may accept gifts from outside sources only if the amount is less than \$100.00, unless approved by Executive Management:

- the gift is not a quid pro quo (a favor expected in return for something);
- is not intended to influence any decision by the employee;
- is unsolicited;
- is infrequent; and

- reasonable in value.

Under no circumstances shall money be accepted, even within the above guidelines.

Examples of gifts which are likely to meet the above conditions and would therefore be permissible are advertising or promotional materials, such as pens, pencils, note pads, key chains, calendars and similar items; discounts or rebates on merchandise or services that do not exceed those available to other customers; gifts that are related to commonly-recognized events or occasions, such as a promotion, new job, wedding, retirement, holiday; and civic, charitable, educational, or religious organizational awards for recognition of service and accomplishment. Generally, there is no threat of a violation of the Bank Bribery statute if acceptance of a gift or benefit is based on an obvious family or personal relationship (such as those with the parents, children or spouse of an employee) existing independent of any business of Hanover, or if the gift or benefit is available to the general public under the same conditions on which it is available to a Banker. If an employee is offered or receives something of value which the employee believes may be impermissible under this Code, the employee shall disclose the matter by means of the Review Procedure. The reviewer, in turn, shall render a determination in writing that the item of value should be accepted or returned, giving due consideration to such issues as whether the item is reasonable in value and whether receipt poses a threat to the integrity of Hanover. Such disclosures and resulting determinations shall be retained in the employee's personnel file.

#### B. Business Meals, Refreshments, Travel, Accommodations and Entertainment

Payments for meals, refreshments, travel, accommodations or entertainment by an outside source are permitted, if they (a) are reasonable in amount, (b) are expended in the course of a meeting or other occasion the purpose of which is to hold a bona fide business discussion or to foster better business relations, (c) are unsolicited, and (d) the expense would be paid for by Hanover as a business expense if not paid for by the outside source. Permissible items could include business luncheons or dinners, golf or tennis outings, cab fare, attending a customer's annual holiday party, entertainment, and travel arrangements and accommodations if reasonable in value.

Payment by an outside source for business meals, refreshments, travel, accommodations, and entertainment which is extravagant, a quid pro quo, or confers a benefit on the employee or the employee's spouse rather than Hanover is impermissible. For example, use of a customer's condominium for a weekend would not be permitted.

If an employee is offered payments for business meals, refreshments, travel, accommodations or entertainment which the employee believes may be impermissible under the Code of Ethics, the individual shall disclose the matter by means of the Review Procedure. The reviewer shall render a determination in writing if payment for such service should be accepted, giving due consideration to the bona fides of the business purpose involved and the reasonableness of the value of such service under the circumstances.

#### **SERVING AS A FIDUCIARY**

*Note: This section does not apply to directors.*

No officer or employee shall act solely or in conjunction with anyone else in a fiduciary capacity except:

- for members of their immediate family, or
- with the prior approval of senior management.

When serving as such, it should be stated clearly that the employee or officer is acting as an individual without implying or imputing that they are representing the Bank, or acting in any bank-related capacity. Any employee involved in a fiduciary relationship may be required to obtain evidence that they are acting for themselves and not as representatives of Hanover. Additionally, employees acting in a fiduciary capacity for a profit organization must obtain a fidelity bond. Note: This section is not intended to preclude employees from serving as an officer in a professional or community organization (see Outside Activities below).

### **LOANS (Borrowing)**

An employee may not borrow from, or lend personal funds to, customers or suppliers. Although employees may borrow from banks or other lending institutions on customary terms, designated Executive Officers and Directors of Hanover are subject to the limitations of Regulation O of the Federal Reserve Board. Additional requirements regarding compliance with Regulation O are outlined in the Regulation O Policy.

### **INSIDER TRANSACTIONS**

#### **Insiders or Related Parties as Vendor Relationships or Service Providers**

Hanover will not use insiders or related parties as vendors or service providers unless prior approval is obtained by the Board of Directors.

#### **Personal Investments - Prohibitions on Insider Trading**

Personal investments in any customer or supplier of goods or services which has credit or other relationships with Hanover should not be made by an employee except for investments in securities which are actively traded on recognized markets, or only upon approval obtained by means of the Review Procedure; and subject in all cases to the rules described below concerning insider trading. Directors and Officers may be asked to disclose such information in an annual statement. Even if a personal investment has been approved, an employee should not take part in a Hanover decision or attempt to influence a decision about that customer or supplier.

Employees are responsible for observing the Securities and Exchange Commission regulations which prohibit purchase or sales of securities by persons having material inside information, and should be aware that material inside information concerning a company's plans or operations which has not been released to the public is confidential. "Material inside information" is defined as information which would affect a person's decision to purchase or sell a security and which has not been sufficiently disclosed to insure its availability to the investing public. Hanover employees are prohibited from using material inside information for personal gain, from using such information for security transactions made on behalf of Hanover, and from using such information

on behalf of a third party. To assure compliance with applicable law, the actions of every employee should be governed according to the following guidelines:

1. Material inside information must not be disclosed to anyone other than Hanover employees who establish their need to know. This information should not be discussed in public places.
2. Employees possessing material inside information relating to Hanover shall not sell or buy Hanover securities, or disclose such information to persons outside Hanover until the information has been effectively disclosed to the public and the public has had sufficient time to absorb and evaluate it.
3. Since material inside information may also have a material effect on the purchase or sale of securities of companies with which Hanover is dealing, anyone possessing such information concerning such a company must not sell or buy the securities of that company or disclose this information to persons outside Hanover until the information has been effectively disclosed to the public and the public has had sufficient time to absorb and evaluate it. Inquiries from financial analysts and investors and others affiliated with the financial investment communities should be answered only by the Chief Executive Officer, the Chief Financial Officer, or their respective designees. Securities laws impose severe sanctions upon any individual who fails to comply with the above guidelines, and liability can also extend to Hanover. The penalties range from monetary penalties to criminal fines and imprisonment. In summary, no employee shall buy or sell Hanover securities, or any other securities, based on material inside information.

## **OUTSIDE ACTIVITIES / CIVIC AND POLITICAL ACTIVITIES**

### A. Community, Charitable and Professional Activities

Hanover encourages employees to actively participate in and provide leadership to community, charitable, and professional activities. An employee must obtain approval by means of the Review Procedure if Hanover sponsorship or involvement is involved.

### B. Business Officerships and Directorships

*Note: this section does not apply to directors.*

Employee, excluding Director, appointments to business directorships or officerships must be approved by Executive Management in advance. All such requests must be in writing and should specify whether the business has a relationship with Hanover and, if so, the nature and extent of that relationship. The employee's request, and management's response, shall be retained in the employee's personnel folder.

Directors are required to disclose their business affiliations to the full Board of Directors. See the previous section on "Conflicts of Interest."

### C. Outside Employment

*Note: this section does not apply to directors.*



Hanover generally discourages outside employment for full time employees because the additional employment might affect the performance of their principal duties at the Bank and might possibly subject the Bank to criticism or adverse publicity. Prior approval of outside employment must be obtained by means of the Review Procedure unless such employment was made known to and approved by Hanover at time of hire. The approver/reviewer shall consult with the Director of Human Resources and both give particular scrutiny to factors bearing on the question of whether a conflict, or potential conflict of interest could arise, such as whether the outside employer has a relationship with Hanover (and, if so, its nature and extent) and whether the employee would be in a position to influence impermissibly any decision by Hanover concerning the outside employer.

#### D. Outside Business Interests

Employees shall avoid situations in which they or their family members profit from a relationship with a company or other entity with which the employee deals in the course of their duties at Hanover.

#### E. Political Activity

Approval must be obtained via the Review Procedure before an employee seeks or accepts nomination for appointment to any public office, whether paid or unpaid. Hanover will comply with any laws relative to Part Time Elected Officials as a matter of policy.

#### F. Management Interlocks

Management should be aware of the various statutes and regulations, NYS Regulation (3 CRR-NY 70) and Federal Regulation (12 CRF 209 – Regulation L), either prohibiting completely, or permitting only within certain specific limits, dual service by a Hanover employee in the following areas:

1. Service as a Director, Officer or Employee of any other commercial bank, banking association, trust company, savings bank, savings and loan association or credit union;
2. Service in an organization primarily engaged in the issue, flotation, underwriting, public sale or distribution of stocks, bonds or other securities; and
3. Service as an Officer or Director of a public utility or registered public utility holding company or subsidiary.

### **FINANCIAL RESPONSIBILITIES**

All employees of the Bank should conduct their financial affairs in such a responsible manner as to be above criticism. The following list is intended to be a guide, but not a complete nor exhaustive list:

- Prompt payment of personal bills and debts;
- Avoid overdrafts in personal checking accounts;
- Use of any bank credit cards, expense account reimbursements, equipment, and supplies only for official bank use; and

- Timely filing of income tax returns.

## **PROFESSIONAL RELATIONSHIPS**

### **Anti-Discrimination Policy**

All Hanover employees must conduct their relationships with other Hanover employees, customers, and the general public with courtesy and mutual respect. Hanover operates under sound personnel policies and applies an equitable standard of fair treatment to all of its employees. It also conducts its business dealings in a non-discriminatory manner and employs persons of varied backgrounds based upon their qualifications, without regard to age, color, gender, national origin, sexual orientation, marital status, race, religion, disability, or veteran status. Hanover does not tolerate any improper conduct among Hanover employees, such as harassment of one Hanover employee by another, either directly, by mail, telephone, or other indirect means, such as electronic mail, or any other method. Appropriate corrective and disciplinary action will be taken if such improper conduct occurs. Supervisors and managers are expected to ensure that no employee is subjected to harassment, intimidation, coercion, or retaliation.

*Note: This section does not supersede the Bank's Employee Handbook. It is intended to provide a summary of the requirements detailed in that guide.*

For purposes of this policy, harassment includes:

- derogatory expressions describing a member of the particular group;
- offensive jokes;
- graphics or cartoons that disparage a specific group or individual employee;
- physical assault or threat of physical assault; and
- behavior clearly outside the bounds of professional interaction in a business environment.

### *Complaint Procedure*

If any individual believes that they have been discriminated against, the individual should notify their manager or supervisor, or if the employee chooses, the Director of Human Resources. Any retaliation against an employee bringing a complaint in good faith will not be tolerated. Any complaint will be immediately and confidentially (to the extent possible) investigated, and any remedial action which is necessary and appropriate will be taken, up to and including termination of employment.

### **Sexual Harassment Policy**

Hanover is committed to a workplace free of sexual harassment and retaliation. Hanover does not tolerate and prohibits sexual harassment of or against job applicants, contractors, interns, volunteers, or employees by another employee, supervisor, vendor, customer or any third party. Hanover also prohibits retaliation as defined below.

Sexual harassment and retaliation are unacceptable in the workplace and in any work-related settings such as business trips and Company-sponsored social functions, regardless of whether the conduct is engaged in by a supervisor, co-worker, client, customer, vendor or other third party. In addition to being a violation of this policy, sexual harassment and retaliation are unlawful. For example, sexual harassment and retaliation against an individual because the individual filed a complaint of sexual harassment or because an individual aided, assisted or testified in an investigation or proceeding involving a complaint of sexual harassment are unlawful.

### **Definition of Sexual Harassment**

Sexual harassment includes harassment on the basis of sex or gender (including pregnancy, childbirth and related medical conditions), gender identity or gender expression (including transgender status) and/or sexual orientation. Sexual harassment includes unwelcome conduct which is either of a sexual nature or which is directed at an individual because of that individuals' sex or gender (including pregnancy, childbirth and related medical conditions), gender identity or gender expression (including transgender status) and/or sexual orientation when:

- submission to that conduct or those advances or requests is made either explicitly or implicitly a term or condition of an individual's employment; or
- submission to or rejection of the conduct or advances or requests by an individual is used as the basis for employment decisions affecting the individual; or
- the conduct or advances or requests have the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment can be verbal (including slurs, jokes, insults, epithets, gestures or teasing), visual (including offensive posters, symbols, cartoons, drawings, computer displays, text messages, social media posts or emails) or physical conduct (including physically threatening another) that denigrates or shows hostility or aversion towards an individual on the basis of sex or gender (including pregnancy, childbirth and related medical conditions), gender identity or gender expression (including transgender status) and/or sexual orientation. Such conduct violates this policy, even if it is not unlawful.

Because it is difficult to define unlawful sexual harassment, employees are expected to behave at all times in a manner consistent with the intended purpose of this policy.

Examples of conduct that violates this policy include:

1. unwelcome sexual advances, comments, gestures, flirtations, leering, whistling, touching, kissing, pinching, assault, blocking normal movement;
2. requests for sexual favors or demands for sexual favors in exchange for favorable treatment;
3. sexual jokes or comments about a person's body, sexuality or sexual experience;
4. propositions or suggestive or insulting comments of a sexual nature;
5. derogatory, obscene or vulgar cartoons, posters, pictures, and drawings;
6. sexually-explicit emails or voicemails;
7. conversation about one's own or someone else's sex life;
8. conduct, comments, or hostile actions consistently targeted at only one gender or because of the person's gender or gender identity or expression, even if the content is not sexual.

## **Definition of Retaliation**

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy or participated in the reporting and investigation process described below. “Adverse conduct” includes but is not limited to:

- any action that would discourage an employee from reporting sexual harassment or retaliation;
- shunning and avoiding an individual who reports sexual harassment or retaliation;
- express or implied threats or intimidation intended to prevent an individual from reporting sexual harassment or retaliation; and
- denying employment benefits because an applicant or employee reported or encouraged another employee to report sexual harassment or retaliation or participated in the reporting and investigation process described below.

## **Reporting Procedures**

If an employee believes someone has violated this policy, the employee should promptly bring the matter to the immediate attention of Jasmin Abraham at the following address 80 East Jericho Turnpike, Mineola, NY 11501 and phone number 516-548-8559 or Maria Salazar at the following address 80 East Jericho Turnpike, Mineola, NY 11501 and phone number 516-5488547.

If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in their reporting hierarchy.

Written complaints can be submitted internally using the form provided in Appendix C.

If the employee makes a complaint under this policy and has not received a satisfactory response within five (5) business days, the employee should contact Lisa Kotliar immediately at the following address 80 East Jericho Turnpike, Mineola, NY 11501 and phone number 516-548-8560.

Every supervisor who learns of any employee’s concern about conduct in violation of this policy, whether in a formal complaint or informally, or who otherwise is aware of conduct in violation of this policy, must immediately report the issues raised or conduct to Lisa Kotliar.

## **Investigation Procedures**

Upon receiving a complaint, the Company will promptly conduct a fair and thorough investigation into the facts and circumstances of any claim of a violation of this policy to ensure due process for all parties. To the extent possible, the Company will endeavor to keep the reporting individual’s concerns confidential. However, complete confidentiality may not be possible in all circumstances. All individuals are required to cooperate in all investigations conducted pursuant to this policy.

During the investigation, the Company generally will interview the complainant and the accused, conduct further interviews as necessary and review any relevant documents or other information. Upon completion of the investigation, the Company will determine whether this policy has been violated based upon its reasonable evaluation of the information gathered during the investigation. The Company will inform the complainant and the accused of the results of the investigation.

The Company will take corrective measures against any person who it finds to have engaged in conduct in violation of this policy, if the Company determines such measures are necessary. These measures may include, but are not limited to, counseling, suspension or immediate termination. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy will be subject to discipline, up to and including termination. This includes individuals engaging in sexual harassment or retaliation, as well as supervisors who fail to report violations of this policy, or knowingly allow prohibited conduct to continue. Individuals who engage in conduct that rises to the level of a violation of law can be held personally liable for such conduct.

### **Legal Protections and External Remedies**

Aside from the internal complaint process at the Company, individuals may choose to pursue external legal remedies with the following governmental entities.

#### **State Human Rights Law (HRL)**

The Human Rights Law (HRL), codified as N.Y. Executive Law, art. 15, § 290 et seq., applies to all employers in New York State with regard to sexual harassment, and protects employees, paid or unpaid interns and non-employees, regardless of immigration status. A complaint alleging violation of the Human Rights Law may be filed either with the Division of Human Rights (DHR) or in New York State Supreme Court.

Complaints with DHR may be filed any time **within one (1) year** of the harassment. If an individual did not file at DHR, they can sue directly in state court under the HRL, **within three (3) years** of the alleged sexual harassment. An individual may not file with DHR if they have already filed a HRL complaint in state court.

Complaining internally to the Company does not extend the time to file with DHR or in court. The one (1) year or three (3) years is counted from date of the most recent incident of harassment.

An attorney is not needed to file a complaint with DHR, and there is no cost to file with DHR.

DHR will investigate complaints and determine whether there is probable cause to believe that sexual harassment has occurred. Probable cause cases are forwarded to a public hearing before an administrative law judge. If sexual harassment is found after a hearing, DHR has the power to award relief, which varies but may include requiring the employer to take action to stop the harassment, or redress the damage caused, including paying of monetary damages, attorney's fees and civil fines.

DHR's main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458; (718) 741-8400; [www.dhr.ny.gov](http://www.dhr.ny.gov).

Contact DHR at (888) 392-3644 or visit [dhr.ny.gov/complaint](http://dhr.ny.gov/complaint) for more information about filing a complaint. The website has a complaint form that can be downloaded, filled out, notarized and mailed to DHR. The website also contains contact information for DHR's regional offices across New York State.

### **Civil Rights Act of 1964**

The United States Equal Employment Opportunity Commission (EEOC) enforces federal anti-discrimination laws, including Title VII of the 1964 federal Civil Rights Act (codified as 42 U.S.C. § 2000e et seq.). An individual can file a complaint with the EEOC anytime within 300 days from the harassment. There is no cost to file a complaint with the EEOC. The EEOC will investigate the complaint and determine whether there is reasonable cause to believe that discrimination has occurred, at which point the EEOC will issue a Right to Sue letter permitting the individual to file a complaint in federal court.

The EEOC does not hold hearings or award relief but may take other action including pursuing cases in federal court on behalf of complaining parties. Federal courts may award remedies if discrimination is found to have occurred. In general, private employers must have at least 15 employees to come within the jurisdiction of the EEOC.

An individual alleging discrimination at work can file a "Charge of Discrimination." The EEOC has district, area, and field offices where complaints can be filed. Contact the EEOC by calling 1-800-669-4000 (TTY: 1-800-669-6820), visiting their website at [www.eeoc.gov](http://www.eeoc.gov) or via email at [info@eeoc.gov](mailto:info@eeoc.gov).

If an individual filed an administrative complaint with DHR, DHR will file the complaint with the EEOC to preserve the right to proceed in federal court.

### **Local Protections**

Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city or town in which they live to find out if such a law exists. For example, those who work in New York City may file complaints of sexual harassment with the New York City Commission on Human Rights. Contact their main office at Law Enforcement Bureau of the NYC Commission on Human Rights, 40 Rector Street, 10th Floor, New York, New York; call 311 or (212) 306-7450; or visit [www.nyc.gov/html/cchr/html/home/home.shtml](http://www.nyc.gov/html/cchr/html/home/home.shtml).

### **Contact the Local Police Department**

If the harassment involves unwanted physical touching, coerced physical confinement or coerced sex acts, the conduct may constitute a crime. Contact the local police department.

Remember, Hanover cannot remedy claimed sexual harassment or retaliation unless individuals bring these claims to the attention of management. Please report any conduct which violates this policy.

## **OTHER PROHIBITIONS IMPOSED BY VARIOUS REGULATIONS**

Hanover will strictly adhere to all regulations pertaining to conflict of interest. (See Conflict of Interest above).

No affiliated person of the Bank may receive, directly or indirectly, from the Bank, or from any other source, any fee or other compensation of any kind in connection with the procurement of a loan from the Bank.

No person, including an affiliated person, may give or receive any fee, kickback, or thing of value for referring business incident to a real estate settlement service, and no person may give or accept any portion, split, or percentage of any charges made for rendering such settlement service, in connection with any real estate loan made by the Bank.

No employee may corruptly ask for or corruptly receive anything of value from any person for or in connection with any transaction or business of the Bank.

Hanover may not grant any loan on the prior condition, agreement, or understanding that a borrower contract with a specific person for title or other insurance, building materials, construction, legal, real estate agency, brokerage or property management services.

## **BUSINESS CONDUCT**

Hanover conducts its affairs in strict conformity to all applicable legal requirements, generally accepted accounting principles and procedures, and the highest standards of business ethics. The following rules govern the application of this general policy to the areas of business and accounting practices and political contributions.

### A. Business and Accounting Practices

1. No funds or assets of Hanover shall be used for any unlawful purpose.
2. No unrecorded fund or asset of Hanover shall be established or maintained for any purpose.
3. No false or misleading entries shall be made in books and records of Hanover for any purpose. All items of income or expense shall be appropriately recorded.
4. No payment by Hanover shall be made with the intention or understanding that all or any part of such payment is to be used for any purpose other than that described in the books and records of Hanover.
5. No payment on behalf of Hanover shall be approved without adequate supporting documentation or made with the intention or understanding that all or any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.
6. Compliance is required with generally accepted accounting principles and procedures and with established internal corporate controls and procedures.
7. Any employee who has or obtains knowledge of, or information concerning, any actions prohibited by this section shall promptly notify the Audit Committee Chairman of Hanover.

8. Hanover may require submission of reports or statements with respect to compliance with this section by such Officers and other employees, at such time or times, and in such form, as Hanover may specify.

#### B. Political Contributions and Other Expenditures for Political Purposes

1. No funds or assets of Hanover are to be used to make any unlawful political contribution. For purposes of this section, the term "political contribution" shall be deemed to include not only the direct or indirect delivery of cash or property of Hanover to a political party, candidate, committee or organization, but also (a) the reimbursement by Hanover of any employee of Hanover or any other person for a political contribution made, or to be made, by such employee or other person or (b) the provision of services or of the use of property, or the making of a loan, to a political party, candidate, committee or organization by Hanover, except in the ordinary course of Hanover business and on customary commercial terms.

*Note: Purchases of tickets to political dinners or other similar events or of advertisements in political publications are considered to be political contributions and are not reimbursable.*

2. Neither Hanover, nor any person acting on its behalf, shall establish any unlawful program to solicit, collect or distribute political contributions from employees of Hanover.
3. No person receiving payment from Hanover, whether as compensation for services or for any other purpose whatsoever, shall be under any obligation of any kind to Hanover to utilize any amount of any such payment for the making of any political contribution and no employee of Hanover, or any other person acting on its behalf, shall seek to create or enforce any such obligation.
4. Nothing in this section is intended in any way to discourage employees of Hanover from active personal involvement in the political process, including the making of personal political contributions, or otherwise to limit the rights and obligations of Hanover personnel as responsible citizens.
5. Any employee who has or obtains knowledge of, or information concerning, any action prohibited by this section shall promptly notify the Director of Human Resources.

#### C. Use of Bank Letterhead

No employee will use official bank stationery for personal or non-job related purposes, particularly when such use would imply endorsement by the Bank, or make reference to Bank employment in matters of personal dispute.

#### D. False or Misleading Remarks

False or intentionally misleading remarks must not be made about vendors, customers, competitors, or other employees. You also must not make false statements about the financial condition of the company. False, misleading, or incomplete statements to auditors, examiners or other investigators are considered the same as falsification of records.



## ADMINISTRATION AND RESPONSIBILITIES

Hanover conducts itself in business dealings so as to obey all applicable laws and regulations. Where the requirements of such laws and regulations are unclear, the advice of the Compliance Officer should be sought to secure interpretation and to ensure compliance.

On an annual basis, all employees will be trained by Human Resources in a live session, reviewing the Code of Ethics Policy via a PowerPoint Presentation. Attendance will be taken and make-up classes will be given to those who cannot attend the initial class. All new hires will also be Code of Ethics trained through New Employee Orientation. Employees are urged to re-read the Code of Ethics from time-to-time in order to refresh their recollection of the statutory and regulatory matters involved and the policies outlined herein.

## **ACKNOWLEDGEMENT**

Employees will be asked to certify their understanding of and compliance with the Code of Ethics and Conflict of Interest Policy on an annual basis. The certification form is attached as Appendix A and the employee is required to certify annually via Paylocity. All employees that do not complete the certification on time are notified by Human Resources and disciplinary action may be issued at the discretion of the Director of Human Resources.

Each Board of Director is required to be annually lived trained as well as read and acknowledge our policy. Completed forms are maintained by the Corporate Secretary.

**CODE OF ETHICS ACKNOWLEDGEMENT**

**APPENDIX A: HANOVER COMMUNITY BANK OR HANOVER BANCORP, INC.**

**EMPLOYEE ACKNOWLEDGEMENT**

I acknowledge that I have received a copy of the Hanover Code of Ethics. I have read the Code of Ethics and understand it. I agree to comply with the requirements outlined in the Code.

If any situation involving a conflict, potential conflict, or perceived conflict of interest or violation of the Hanover Code of Ethics occurs before the next annual certification of the Code, I will report it immediately, as documented within this policy.

I do not have any unreported and/or unapproved outside employment nor do I engage in any activities that could conflict with my duties to Hanover, interfere with my job with Hanover, or damage the reputation of Hanover in any way.

I understand that a violation of this policy may result in disciplinary action, including possible termination, and/or legal action.

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Name (please print): \_\_\_\_\_  
Branch/Department: \_\_\_\_\_

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**HANOVER COMMUNITY BANK OR HANOVER BANCORP, INC.**

**BOARD OF DIRECTORS ACKNOWLEDGEMENT**

I acknowledge that I have received a copy of the Hanover Code of Ethics. I have read the Code of Ethics and understand it. I agree to comply with the requirements outlined in the Code.

If any situation involving a conflict, potential conflict, or perceived conflict of interest or violation of the Hanover Code of Ethics occurs before the next annual certification of the Code, I will report it immediately, as documented within this policy.

DIRECTOR Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Please Print Name: \_\_\_\_\_

## **APPENDIX B: Reaching the Audit Committee Chairman, Ahrol Haspel**

When the URL is clicked <https://www.whistleblowerservices.com/HNVR>, the employee must follow the instructions. After the form is completed, an email is delivered to the Corporate Secretary and to the Chairman of the Audit Committee.

When a message is left on 833-428-1980, both the Corporate Secretary and the Chairman of the Audit Committee will receive the message.

## APPENDIX C:

### **Sexual Harassment Form**

If you believe that you have been subjected to sexual harassment, you are encouraged to complete this form and submit it to Jasmin Abraham or Maria Salazar. If you are more comfortable reporting verbally or in another manner, you may do so and can follow the guidelines set forth in the Sexual Harassment policy. You will not be retaliated against for filing a complaint. Once a complaint is received, Hanover Bank will follow the investigation process described in our policy.

#### **General Information**

Your Name / Job Title:

Your Department / Supervisor:

Preferred Communication Method (if via e-mail or phone, please provide contact info):

#### **Complaint Information**

1. Please tell us who you believe has violated our policy against sexual harassment. What is their relationship to you (e.g., supervisor, subordinate, co-worker, other):

2. Please describe what happened and how it is affecting you and your work. Please use additional sheets of paper if necessary and attach any relevant documents or evidence.

3. Please provide specific date(s) the alleged sexual harassment occurred. Additionally, please advise if the alleged sexual harassment is continuing.

4. Please list the name and contact information of any witnesses or individuals who may have information related to your complaint.

*This last question is optional, but may help the investigation*

5. Have you previously complained or provided information (verbal or written) about related incidents? If yes, when and to whom did you complain or provide information?

If you have retained legal counsel and would like us to work with them, please provide their contact information.

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