

Code of Ethics

Conflicts of Interest

All transactions with insiders will be made on substantially the same terms as those afforded other ESSA customers to avoid the appearance of preferential treatment. Special attention will be paid by the Board to any potentially excessive salaries or bonuses, director's fees, fees paid where there is no apparent benefit to the Bank, and fees paid for services not yet received.

No extension of credit shall be granted to any insider of the Bank on more favorable terms, such as a lower interest rate charged, and/or extended maturity than is available to the general public, or in the alternative, is widely available to all ESSA employees.

No deposits shall be accepted from any insider of the Bank on more favorable terms than to any other ESSA customer, including higher interest rates, or longer or shorter maturities.

If any fees or terms are found by the Board to be excessive, the Board shall take prompt corrective action, including requiring restitution to the Bank, to remedy the situation.

The Bank will not purchase any goods or services from a company in which a director has a related interest.

Insiders should not represent the Bank in any transaction where he or she has a material connection or a financial interest. (Examples of material connections include relatives or close personal friends - whether the transaction involves them as individuals or as principals in a firm doing business with the bank. An example of a financial interest is an insider's involvement as a proprietor, partner, or joint venture in a firm doing business with the Bank.)

An insider should not accept a directorship of another corporation without the approval of ESSA's Board of Directors. Charitable and nonprofit organizations are exceptions to this general requirement.

The President/CEO is prohibited from any affiliation with a political campaign committee.

Any insider making investments on behalf of the Bank is prohibited from taking advantage of the special circumstances associated with this duty. Specifically, an insider is prohibited from buying securities for his or her own account through dealers from which he or she buys securities for the Bank's account. The insider is also prohibited from accepting gifts, entertainment, free travel, and so forth from a securities dealer or from employees who work for a securities firm (except as outlined in section F.4 of this policy). If the insider is ever approached with a deal that would benefit him or her personally, he or she must immediately report the circumstances to the President and the Chairman of the Board and stop placing investment orders through that firm.

Confidentiality of Savings Bank Information

In the course of performing bank duties, insiders acquire confidential information considered to be extremely sensitive by customers. This information must not be revealed to unauthorized persons, nor should customers' finances be discussed with others within the bank unless their duties require the information. Information about customers can be released only when authorized by the customer or subpoenaed by a court or the Internal Revenue Service (IRS), and then the information released must be accurate and within the confines of the authorizing document.

No insider of the Bank shall use any inside information to improperly profit for their own benefit. The Board shall make the final determination on any questionable insider information-related transactions made by an insider.

Standards for Reporting Personal Transactions That May Affect Savings Bank Performance

Any actual or potential conflict of interest regarding insiders shall be promptly disclosed to the Board for consideration, whether intended or unintended.

Each insider will annually complete and sign the “Statement on Conflict of Interest and Code of Ethics” form in the month of October.

Each investment officer will annually sign the “Investment Officer Code of Conduct Statement” form. (Exhibit 2 following this policy contains a statement that ESSA requires its investment officers to sign.)

Guidelines on Outside Activities

No insider of ESSA shall solicit anything of value from anyone in return for any business service or confidential information of the Bank. No insider of ESSA shall accept anything of value other than bona fide salary, wages, fees, or other compensation paid in the usual course of business from anyone in connection with the business of the Bank, either before or after a transaction is discussed or consummated.

Exceptions to this requirement include items offered based on a family or personal relationship, independent of any business of ESSA, the benefit is available to the general public under the same conditions, or the item would be paid for by the Bank as a reasonable business expense if it were not paid for by another party. Advertising materials, gifts relating to commonly recognized events, and certain awards also qualify as exceptions to this provision. Any ESSA insider who is offered or receives anything of value beyond what is authorized in this exception must disclose that fact to the Board.

Acceptance of Gifts: Bank officers may accept small gifts or other items of value from business associates of the bank, as long as all such acceptances are properly disclosed and the dollar value is considered nominal. Gifts valued up to \$50 may be accepted without prior approval. Gifts exceeding \$50 must receive the approval of the board of directors before acceptance. Insiders may accept the following types of items from individuals doing or seeking to do business with ESSA:

Meals, gratuities, amenities, or favors based on obvious family or personal relationships.

Meals, refreshments, travel arrangements, accommodations, or entertainment of reasonable value in the course of a meeting or other bona fide business occasion.

Loans from other financial institutions when made on customary terms for the purpose of financing proper and usual activities. It is the responsibility of the insider accepting the loan to ensure that the loan is not contingent upon ESSA accepting or offering any other service. The insider must also ensure that any loan from a correspondent of ESSA is made on an arm’s length basis and does not include any preferential terms.

Advertising or promotional material of reasonable value (pens, note pads, calendars, etc.).

Discounts or rebates on merchandise or services that are available to other similar customers.
Gifts of reasonable value related to commonly recognized events or occasions such as promotion, wedding, retirement, holiday, etc.

Civic, charitable, educational, or religious organizational awards for recognition of service and accomplishments.

Other benefits or items of value, when approved, in writing, on a case-by-case basis.

Protection of Institution Property

An insider may not make use of ESSA's facilities for their own benefit, real or personal property, or personnel.

Compliance with Laws and Regulations

The Bank's loans to any insider shall be made on terms no more favorable than those available at the same time to non-insiders for comparable transactions. They will carry no more than a normal risk of failure to repay, and have no unfavorable features.

If a loan to an insider exceeds the higher of \$25,000 or 5% of the Bank's unimpaired capital and surplus, the extension of credit must be approved in advance by a majority of the entire Board. The interested party will abstain from participating directly or indirectly in the voting. This abstention will be noted in the Board's minutes. Prior approval of the Board must be obtained for any size loan if the aggregate amount of credit exceeds \$500,000.

ESSA will make no loan to any insider or related interest that exceeds the regulatory aggregate lending limit of the Bank.

Any extension of credit by the Bank to an insider or related interest must be preceded by the submission of a detailed current financial statement to the Board. Any loan thus made to an executive officer shall be subject to the condition that the extension of credit shall become due and payable on demand at any time that the officer is indebted to any other bank(s) in an aggregate amount greater than the specified limit for the Bank.

Any overdraft being paid by ESSA on behalf of its executive officers and/or directors on an account at the Bank will be made in accordance with a written, pre-authorized transfer of funds from another account of the account holder at the Bank. In the alternative, any such overdraft must be inadvertent, aggregating \$1,000 or less, and remain outstanding for less than five days. The insider will be charged the same fee charged for any other customer of the Bank in similar circumstances.

Recordkeeping of insider transactions shall be as follows: records shall identify all executive officers, directors and their related interest, and the amount and terms of each extension of credit from ESSA to the person and their related interest. Records of publicly requested disclosures of information shall also be maintained. All records listed here shall be kept on file for a minimum of three years.

Procedures for Ensuring Compliance with the Code

ESSA will establish a system to administer and monitor compliance with this policy. This system will ensure that all insiders are trained, kept aware of, and provided with interpretive advice and assistance in dealing with insider issues. The Chief Risk Officer is charged with the responsibility of soliciting the "Statement on Comprehensive Insider Code of Ethics and Conflict of Interest" on an annual basis from all insiders. This system will annually require the Chief Risk Officer to collect the "Statement on

Comprehensive Insider Code of Ethics and Conflict of Interest” forms. These forms will be maintained at that office.

Consequences of Non-Compliance

Failure to comply with this policy may result in the termination of employment. The action taken will be commensurate with the seriousness of the conduct and an evaluation of the situation. All violations of this policy will be brought to the attention of the board of directors. Termination of employment may be determined by an officer who is the direct or indirect supervisor of the employee concerned.