



COMMERCIAL BANCGROUP, INC. CODE OF CONDUCT AND ETHICS

INTRODUCTION

- 1.1 Pursuant to and in compliance with the Sarbanes-Oxley Act of 2002, applicable Nasdaq Listing Rules (“**Nasdaq Rules**”), and applicable rules and regulations of the U.S. Securities and Exchange Commission (the “**SEC**”), the Board of Directors (the “**Board**”) of Commercial Bancgroup, Inc. (together with its subsidiaries, including Commercial Bank (the “**Bank**”), the “**Company**”) has adopted this Code of Conduct and Ethics (this “**Code**”). This Code outlines basic principles designed to guide all directors, officers, and employees of the Company (“**Covered Persons**”) in the performance of their duties and responsibilities. All Covered Persons are expected to at all times comply with the provisions of this Code and seek to avoid even the appearance of improper conduct.
- 1.2 If any applicable law (federal, state, or local) conflicts with any provision of this Code, Covered Persons must comply with such law. However, if a local custom or practice conflicts with any provision of this Code, Covered Persons must comply with this Code.

PURPOSE AND SCOPE

- 2.1 The Board has adopted this Code in order to (a) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest; (b) promote full, fair, accurate, timely, and understandable disclosure in reports and other documents that the Company files with, or submits to, the SEC and in other public communications made by the Company; (c) promote compliance with applicable laws, rules, and regulations; (d) promote the protection of Company assets, including corporate opportunities and confidential information; (e) promote proper handling of employees’ personal financial transactions with the Bank; (f) promote fair dealing practices; (g) promote a positive, safe, and satisfying work environment for Company employees; (h) promote sound recordkeeping practices; (i) deter wrongdoing; and (j) ensure accountability for adherence to this Code.
- 2.2 All Covered Persons are required to be familiar with this Code, comply with this Code, and report any suspected violations of this Code as described below in Section 15.

CONDUCT

- 3.1 The Company’s policy is to promote high standards of integrity by conducting its affairs both honestly and ethically.
- 3.2 Each Covered Persons must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company’s customers, suppliers, partners, service providers, competitors, and employees, and anyone else with whom he or she has contact in the course of performing services for the Company.

CONFLICTS OF INTEREST

- 4.1 A conflict of interest occurs when an individual's private interests (or the interests of a member of his or her family) interfere, or even appear to interfere, with the interests of the Company. A conflict of interest can arise when a Covered Persons (or a member of his or her family) takes actions or has interests that may make it difficult for him or her to perform his or her duties and responsibilities with the Company objectively and effectively. Conflicts of interest also arise when a Covered Persons (or a member of his or her family) receives improper personal benefits as a result of his or her position with the Company.
- 4.2 Loans by the Company to Covered Persons, or their family members, could constitute improper personal benefits to the recipients of such loans or guarantees, depending on the facts and circumstances. Loans by the Company to Covered Persons are permissible only if and to the extent they are permitted by, and conform to the requirements of, applicable law, rules, and regulations. It is almost always a conflict of interest for a Company employee to also work for (as an employee, independent contractor, or otherwise) a customer, supplier, service provider, or competitor of the Company, and any such arrangement should be promptly reported in accordance with Section 4.4 or Section 4.5. No executive officer of the Company may simultaneously work for (as an employee, independent contractor, or otherwise) a customer, supplier, service provider, or competitor of the Company.
- 4.3 Conflicts of interest are prohibited as a matter of Company policy and should be avoided, unless specifically authorized as described in Section 4.4 and Section 4.5. Covered Persons should avoid conduct that creates even the appearance of a conflict of interest and should never use or attempt to use their positions with the Company to obtain personal benefit for themselves or their family members.
- 4.4 Whether or not a conflict of interest exists or will exist can be unclear. A person other than a director or executive officer of the Company who has questions about a potential conflict of interest or who becomes aware of an actual or potential conflict of interest should discuss the matter with, and seek a determination and prior authorization or approval from, his or her supervisor or the Chief Auditor. A supervisor may not authorize or approve conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first providing the Chief Auditor with a written description of the situation and seeking the Chief Auditor's written approval. If the supervisor is himself or herself involved in the actual or potential conflict, the matter should instead be discussed directly with the Chief Auditor.
- 4.5 Directors and executive officers of the Company must seek determinations and prior authorizations or approvals relative to potential conflicts of interest exclusively from the Audit Committee of the Board (the "***Audit Committee***").
- 4.6 Transactions involving actual or potential conflicts of interest may also be subject to the requirements of the Company's Related Person Transactions Policy and Procedures, a copy of which can be obtained by contacting the Chief Auditor.

COMPLIANCE

- 5.1 The Company is committed to full compliance with applicable laws, rules, and regulations, and Covered Persons should at all times comply with the letter and spirit of all laws, rules, and regulations applicable to the Company and its operations. All Covered Persons must abide by the highest standards of integrity and candor when interacting with regulatory agencies (federal, state, or otherwise), internal and external auditors, and the Company's professional advisors.

- 5.2 Although not all Covered Persons are expected to know the details of all laws, rules, and regulations applicable to the Company and its operations, it is important to know enough to be able to determine when to seek advice from appropriate personnel. Questions about compliance with applicable laws, rules, and regulations should be addressed to Chief Auditor.
- 5.3 No Covered Person may purchase or sell any Company securities while in possession of material nonpublic information regarding the Company, nor may any Covered Person purchase or sell another company's securities while in possession of material nonpublic information regarding that company. It is against Company policy and illegal for any Covered Person to use material nonpublic information regarding the Company or any other company to (a) obtain profit for himself or herself or (b) directly or indirectly "tip" others who might make an investment decision on the basis of that information. Generally, nonpublic information is considered material if there is a substantial likelihood that a reasonable investor would find the information important in making an investment decision because it significantly alters the total mix of information available. The Company has adopted an Insider Trading Policy that applies to the trading by Covered Persons of securities of the Company and certain other companies. A copy of the Insider Trading Policy can be obtained by contacting the Chief Auditor.

DISCLOSURE

- 6.1 The Company's periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC rules.
- 6.2 Each Covered Person who contributes in any way to the preparation or verification of the Company's financial statements and other financial information must ensure that the Company's books, records, and accounts are accurately maintained. Each Covered Person must cooperate fully with the Company's accounting and internal audit departments, as well as the Company's independent public accountants and legal counsel.
- 6.3 Each Covered Person who is involved in the Company's disclosure process must (a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting and (b) take all necessary steps to ensure that all filings by the Company with the SEC and all other public communications about the financial condition and business of the Company provide full, fair, accurate, timely, and understandable disclosure.

PROTECTION AND USE OF COMPANY ASSETS

- 7.1 All Covered Persons should protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability and are prohibited.
- 7.2 Company assets should be used only for legitimate business purposes of the Company, although incidental personal use may be permitted. Any suspected incident of fraud or theft should be reported for investigation immediately in accordance with Section 15.1.
- 7.3 Company expense accounts should be used only for Company business in accordance with applicable Company policies. Unused cash advances for legitimate business purposes must be promptly returned or repaid to the Company. Intentional use of Company credit cards for personal purposes is prohibited.
- 7.4 The obligation to protect Company assets extends to the Company's proprietary information. Proprietary information includes, for example and without limitation, intellectual property such as

trade secrets, patents, trademarks, and copyrights, business, strategic, and marketing plans, budgets, customer and potential customer lists and information, databases, corporate records, and any nonpublic financial data or reports. Unauthorized use or distribution of the Company's proprietary information is prohibited and could also be illegal and result in civil or criminal penalties.

CORPORATE OPPORTUNITIES

- 8.1 All Covered Persons owe a duty to the Company to advance its interests when the opportunity to do so arises. Covered Persons are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company assets, property, information, or position, unless such opportunities have been first offered to and turned down by the Company. Covered Persons may not use Company assets, property, information, or position for personal gain (including the gain of friends or family members). In addition, no Covered Person may compete with the Company.

PROCESSING PERSONAL TRANSACTIONS

- 9.1 Company employees must always follow the same procedures that are used by non-employee customers when transacting personal financial business with the Bank. A Company employee is not allowed to handle or approve his or her own transactions or transactions for members of his or her family or household, his or her spouse or domestic partner, or individuals with whom he or she is in a dating relationship, or transactions on accounts in which the employee has an ownership interest or over which the employee has control or signing authority. These transactions must always be handled by other employees. These restrictions apply to all account and transaction types, including loans. If a Company employee is found to be processing or approving his or her own personal transactions, or those of a family member, household member, spouse or domestic partner, or an individual with whom he or she is in a dating relationship, or transactions on accounts in which the employee has an ownership interest or over which the employee has control or signing authority, it will be assumed that the employee has violated this Code. Coercion of other employees in order to circumvent these prohibitions, or any other provision of this Code, is also a violation of this Code.

CONFIDENTIALITY

- 10.1 Covered Persons must maintain the confidentiality of all confidential information entrusted to them by the Company or by its customers, vendors, suppliers, advisors, or partners, except when disclosure is expressly authorized or is required or permitted by applicable law. Confidential information includes, for example and without limitation, all nonpublic information (regardless of its source and regardless of format) of or about the Company (including business plans, trade secrets, and other information that might be of use to competitors of, or the disclosure of which might be harmful to, the Company) or its directors, employees, or shareholders and nonpublic information entrusted to the Company by customers, suppliers, vendors, or other business partners. Covered Persons may access and use confidential information only for legitimate business purposes in furtherance of their service with the Company. Covered Persons may communicate confidential information to other Covered Persons only on a need-to-know basis and in accordance with applicable Company policies. The privacy of customer information is paramount, and all customer information must be handled in accordance with applicable laws, rules, and regulations and Company policies. Covered Persons' obligations with respect to confidential information continue even after their service to or employment with the Company ends.

FAIR DEALING

- 11.1 The Company strives to outperform its competitors fairly and honestly. The Company seeks to gain competitive advantages through superior performance and customer service, not by way of unethical or illegal business practices. Each Covered Person should endeavor to respect and deal fairly with the Company's customers, vendors, suppliers, partners, service providers, competitors, and employees, and anyone else with whom he or she has contact in the course of performing his or her duties and responsibilities. No Covered Person should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts, or any other unfair dealing practice.
- 11.2 The purpose of entertainment and gifts in a business setting is to create goodwill and develop sound, strong working relationships, not to gain unfair advantage with customers, prospective customers, vendors, suppliers, partners, service providers, or others. The gifting or acceptance of cash gifts (including gift cards) is prohibited. No Covered Person, or member of his or her family, should offer, give, provide, or accept entertainment or a non-cash gift unless the same (a) is consistent with customary business practices, (b) is not excessive in value, (c) cannot be construed as a bribe, kickback, or payoff, and (d) does not violate any applicable law, rule, regulation, or Company policy. Company employees should discuss with their supervisors any proposed entertainment or gift that they are not certain is appropriate.
- 11.3 No bribes, kickbacks, or similar payments or benefits are to be given, offered, or received, directly or indirectly, by any Covered Person to or from any person for any reason.

EMPLOYEES

- 12.1 The Company believes that its employees are its greatest asset and that the Bank's strong reputation in the financial services industry and the markets the Bank serves is a direct result of the loyalty, commitment, and efforts of its employees. The Company endeavors to provide its employees with a positive and satisfying environment in which to work. Respect for colleagues and appreciation of the value of individuality are recognized by the Company as essential elements of a successful workplace, and open communication is encouraged at all levels. Discrimination and harassment based on age, race, creed, color, national origin, sex, gender, pregnancy, sexual orientation, marital status, religion, veteran status, gender identity, disability, citizenship, military service or obligation, genetic information, or any other basis prohibited by law is not tolerated. Conduct of a discriminatory or harassing nature, or of a sexual nature that creates an intimidating, hostile, or offensive working environment, is prohibited. In addition, the health and safety of its employees is one of the Company's highest concerns. The Company's goal is to provide a healthy, drug-free, safe, and efficient workplace and business environment for its employees and customers. Employees are prohibited from engaging in the illegal use, transfer, sale, or possession of drugs or abusing prescription drugs or alcohol either while on the job or on Company premises.
- 12.2 Each Company employee has an obligation to report immediately his or her arrest or indictment for, or conviction of, any crime, or entering into a pretrial diversion, deferred adjudication, or similar program with respect to any criminal offense. A guilty or no-contest plea may result in a conviction even though there may be no trial or any other courtroom proceeding. For purposes of this section, an employee may ignore most traffic violations and other convictions related to operating a vehicle, but must report traffic violations and vehicle-operating convictions that involve driving under the influence or while intoxicated, illegal drugs or any other criminal recklessness, assault, battery, manslaughter, or homicide.

POLITICAL CONTRIBUTIONS

- 13.1 Employees are encouraged to maintain an enlightened interest in governmental affairs, to meet the responsibilities of good citizenship by voting in all elections, and to generally participate in the political process. General participation in the political process may include political contributions to candidates. Political contributions (direct or through trade associations) by the Company are prohibited unless approved in advance by the Chief Auditor. This includes (a) contributions of Company funds or other assets for political purposes, including the use of Company funds to attend political events, (b) encouraging Covered Persons to make any such contribution, or (c) reimbursing a Covered Person for any contribution by salary, bonus, or expense account or in any other manner. Covered Persons are free to make personal political contributions as they see fit.

RECORDKEEPING

- 14.1 The Company requires honest and accurate recording of information in order to provide accurate reports and make responsible business decisions. All of the Company's books, records, accounts, and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions, and must conform to both applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by law and not prohibited by Company policy. All employee business expense accounts must be documented and recorded accurately. Company records should always be retained or destroyed in accordance with the record retention policies of the Company.

REPORTING, ENFORCEMENT, AND WAIVERS

- 15.1 Actions prohibited by this Code involving directors or executive officers of the Company must be reported to the Audit Committee. Actions prohibited by this Code involving anyone other than a director or executive officer of the Company must be reported to the reporting person's supervisor or the Chief Auditor. After receiving a report of an alleged prohibited action, the Audit Committee, the relevant supervisor, or the Chief Auditor must promptly take all appropriate actions necessary to investigate the matter. All Covered Persons are expected to cooperate in any internal investigation of misconduct.
- 15.2 The Company must ensure prompt and consistent action against violations of this Code. If, after investigating a report of an alleged prohibited action by a director or executive officer of the Company, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board. If, after investigating a report of an alleged prohibited action by any other person, the relevant supervisor or the Chief Auditor determines that a violation of this Code has occurred, the relevant supervisor or Chief Auditor will report such determination to the Chief Auditor. Upon receipt of a determination that there has been a violation of this Code, the Board or Chief Auditor will take such preventative or disciplinary action as it deems appropriate, including without limitation reassignment, demotion, dismissal, and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.
- 15.3 The Board or the Audit Committee (in the case of a violation by a director or executive officer of the Company) and the Chief Auditor (in the case of a violation by any other person) may, in its discretion, waive any violation of this Code. Any waiver for a director or executive officer of the Company shall be disclosed as required by applicable SEC and Nasdaq Rules.

- 15.4 The Company does not tolerate acts of retaliation against any Covered Person who makes a good faith report of known or suspected acts of misconduct or other violations of this Code.