

MID PENN BANCORP, INC.

Complaint Policy

**Last Date of Board Review/Approval:
08/22/18**

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Person Responsible for Policy: Director of Internal Audit
Date Last Revised: 11/07/18

PURPOSE

The Sarbanes Oxley Act states that “each audit committee shall establish procedures for the receipt, retention, and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters.”

It is the policy of Mid Penn Bancorp, Inc. (the “Company”) to comply with and require its employees to comply with appropriate accounting and internal accounting controls and to maintain effective auditing. Every employee of the Company has the responsibility to assist in meeting these legal and regulatory requirements.

The Company’s internal operating controls are intended to prevent, deter, and remedy any violation of the applicable laws and regulations that relate to accounting and auditing controls and procedures. The Company has a responsibility to investigate and report to appropriate governmental authorities, as required, any violations of applicable legal and regulatory requirements relating to accounting and auditing controls and procedures and the actions taken by the Company to remedy such violations.

This policy governs the process through which the Audit Committee of the Company’s Board of Directors can be notified of complaints regarding accounting, internal accounting controls, or auditing matters. In addition, this policy establishes a mechanism for responding to, and keeping records of, any such complaints.

SUBMITTING COMPLAINTS REGARDING ACCOUNTING, INTERNAL ACCOUNTING CONTROLS, OR AUDITING MATTERS

Any complaints regarding accounting, internal controls, or auditing matters should be reported to:

NAVEX Global EthicsPoint
Toll-Free Hotline: (844) 406-2418
Web Portal: <https://midpennbank.ethicspoint.com>

NAVEX Global EthicsPoint provides a 24 hours per day, 7 days per week, 365 days per year anonymous toll-free hotline and web-reporting service that utilizes specially trained and experienced legal transcriptionists to create intake reports.

All callers accessing the NAVEX Global EthicsPoint hotline will be advised that they have reached the Mid Penn Bank hotline and will be asked if they would like to file a new report, or follow up on an existing report. The communication specialist will then guide callers through a series of questions designed to gather appropriate information to compile a valid report.

When finished, each caller will be asked to assign a password to his or her report. The password will enable the caller to follow up on his or her prior report for management’s response. The caller will be given a case reference number as well to identify the anonymous report for follow-up.

The complaint should assure a clear understanding of the issues raised. The complaint should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment. The complaint describing an alleged violation or concern

should be candid and set forth all of the information that the employee knows regarding the allegation or concern. In addition, all complaints must contain sufficient corroborating information to support the commencement of an investigation. The Company may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate informational support.

INVESTIGATION OF COMPLAINTS

Upon receipt of the complaint by the Investigating Officers, which is a pre-determined group consisting of two members of the Board of Directors' Audit Committee, the Director of Human Resources, the Security and Facilities Officer, the Chief Operating Officer, the Senior Compliance Officer, the BSA Officer, and the Director of Internal Audit, a determination will be made whether a reasonable basis exists for commencing an investigation into the complaint. To assist in making this determination, the Investigating Officers may conduct an initial, informal inquiry. Other parties may become involved in the inquiry based on their oversight, responsibility, or expertise.

Upon making a determination to recommend a formal investigation, the Investigating Officers will promptly notify the Audit Committee. The Audit Committee will then determine, in its reasonable judgment, whether a reasonable basis exists for commencing a formal investigation into the complaint. If the Audit Committee makes such a determination, then it shall instruct the Investigating Officers to proceed with a formal investigation. The Investigating Officers shall oversee all investigations under the authority of the Audit Committee. The Audit Committee shall ensure coordination of each investigation and shall have overall responsibility for implementation of this policy. The Audit Committee shall have the authority to retain outside legal or accounting expertise in any investigation, as it deems necessary to conduct the investigation in accordance with its charter and this policy.

All complaints will be handled in a confidential manner. In no event will information concerning the complaint be released to persons without a specific need-to-know basis. Investigation of complaints will be prompt. The determination by the Investigating Officers will be communicated to NAVEX Global via the EthicsPoint web portal.

At each quarterly meeting of the Audit Committee, the Director of Internal Audit will provide and review a report stating the nature of each complaint for the prior quarter, the status of investigation if the complaint resulted in a formal investigation, or other disposition if the complaint did not result in a formal investigation.

CORRECTIVE ACTION

The Audit Committee, with the input of management, if requested, will determine the validity of a complaint and any corrective action, as appropriate. It is the responsibility of the Audit Committee to inform Company management of any identified noncompliance with legal and regulatory requirements and to assure that management takes corrective action including, where appropriate, reporting any violation to the relevant federal, state, or regulatory authorities. Directors, officers, and employees that are found to have violated any laws, governmental regulations, or Company policies will face appropriate, case-specific disciplinary action, which may include demotion or discharge.

WHISTLEBLOWER POLICY

The Company's Whistleblower Policy specifies procedures for employees to submit confidential, anonymous concerns regarding accounting and auditing matters.

At quarterly Audit Committee meetings, the Director of Internal Audit will provide and review with the Committee the externally prepared list of submissions received during the preceding calendar quarter, report on the nature and resolution of any submissions received during the preceding quarter, and provide the status of any investigations on unresolved submissions. The Whistleblower Policy and instructions on submission of concerns is communicated to employees via the Mid Penn Bank Employee Handbook.

RETENTION OF COMPLAINTS AND DOCUMENTS

All complaints regarding accounting, internal accounting controls, or auditing matters will remain confidential to the extent practicable. In addition, all written statements, along with the results of any investigations relating thereto, shall be retained by the Company for a minimum of six years.

It is illegal and against the Company's policy to destroy any audit records that may be subject to or related to an investigation by the Company or any federal, state, or regulatory body.