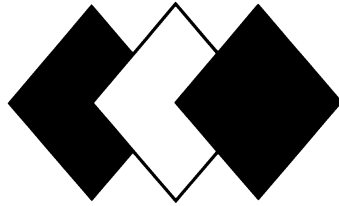


Firstbank  
CORPORATION



CODE OF BUSINESS  
CONDUCT AND  
ETHICS

## **LETTER FROM THE CHIEF EXECUTIVE OFFICER**

Firstbank Corporation (the "Company") is dedicated to conducting its business consistent with the highest standards of business ethics. We have an obligation to our shareholders, employees, customers, vendors and other business contacts, and the communities we serve to be honest, fair and forthright in all of our business activities.

As a director, officer or employee of the Company, you are faced every day with a number of business decisions. It is your personal responsibility to uphold the Company's high standards of business ethics in each and every one of these situations. It is not possible for this Code of Business Conduct and Ethics (the "Code") to address every situation that you may face. If you use your good business judgment and experience, the majority of your business decisions are not likely to raise ethical issues. When you are faced with an ethical issue, we hope that this Code will serve as a guide to help you make the right choice.

We encourage you to take an opportunity to review our policies and to discuss any questions you may have with your supervisor, a Human Resources representative or any member of the Company's management team. The guidelines set out in this Code are to be followed at all levels of the organization. We rely on you to uphold our core values and conduct our business honestly, fairly and with integrity.

Sincerely,

Thomas R. Sullivan  
President and CEO

## INTRODUCTION

This Code of Business Conduct and Ethics (this "Code") contains general guidelines for conducting the business of the Company and its subsidiaries and affiliates (the "Company") consistent with the highest standards of business ethics. It is also intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act. This Code establishes the minimum expectations relative to business ethics and regulatory compliance.

This Code applies to all of the directors, officers, employees and agents of the Company acting on behalf of the Company, wherever located and whether they work on a full or part-time basis. The Code is also designed to deter wrongdoing and to promote:

- ◆ Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- ◆ Full, fair accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company and in the Company's public communications;
- ◆ Compliance with applicable governmental laws and regulations;
- ◆ The prompt internal reporting of violations of this Code to an appropriate person identified herein; and
- ◆ Accountability for adherence to the Code.

If you have additional questions or are facing a situation where you question the appropriate action, you are highly encouraged to contact your supervisor or a Human Resources representative to gain advice in handling that situation.

All employees have a duty to report any known or suspected violation of this Code. This is not an act of disloyalty, but rather an action to safeguard the Company's reputation and integrity. If you are aware of a situation that you feel should be reported as unethical, please contact your supervisor, a Human Resources representative, or fill out the "How Are We Doing" form, which you can obtain from the Human Resource department, the company intranet, or the copy that is attached to this Code.

An investigation of a known or suspected violation of the law, or of this Code, will be conducted immediately upon notification, and disciplinary action may follow as appropriate. The confidentiality of the employees involved will be protected to the extent possible and to the extent required by law. Retaliation against an employee for bringing forth a known or suspected violation, in good faith, is strictly prohibited. Any employee found to be involved in retaliatory actions against another employee who reports a known or suspected violation will be subject to the Company's normal disciplinary procedures.

## CONFLICTS OF INTEREST

A conflict of interest occurs when an employee's personal interest differs, or appears to differ, in any way, from the Company's interests. All of the Company's directors, officers, employees and agents should actively avoid any personal interest that may influence their ability to act in the best interest of the Company or that makes it difficult to perform their work objectively and effectively. This may include personal interests of your relatives or affiliates. Following are some examples of conduct where a conflict of interest could arise, and are therefore prohibited. This list is not complete, and each person covered by this Code will have to determine if a conflict of interest is present in specific situations.

1. Outside Employment. No officer or employee covered by this Code may be employed by, serve as a director of, or provide any services to a company that is a customer, large supplier or competitor of the Company or any organization whose interests could be expected to conflict with those of the Company.
2. Improper Personal Behavior. No employee may obtain improper personal benefits or favors because of their position with the Company, as further explained within the Gifts and Gratuities section in the Company's Employee Handbook.
3. Financial Interests. No one covered by this Code may have an ownership interest, or conduct other financial transactions, in the business or organization of a customer, larger supplier or competitor of the Company, or where the covered person is in a position to influence a customer, larger supplier or competitor for the purpose of securing personal financial gain. This does not prohibit arms-length transactions with the Company's affiliate banks, or other recognized financial institutions at rates and terms that are offered to the general public.

### Disclosure of Conflicts of Interest

Each person covered by this Code has the obligation to avoid actual and apparent conflicts of interest. If you know or have reason to believe that an actual or apparent conflict situation exists, or may exist, you are required to disclose the facts and circumstances to either your supervisor, or a Human Resources representative.

If you have any questions regarding a specific situation and whether a conflict or an apparent conflict exists, further information is available in the Code of Ethics section of the Firstbank Corporation Employee Handbook. If you still have questions or concerns, please speak to your supervisor or a Human Resources representative.

## **CORPORATE OPPORTUNITIES**

As a director, officer, employee or agent of the Company, you have an obligation to put the interests of the Company ahead of your personal interests. If you discover a business opportunity that is in the Company's line of business, you must first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No person covered by this Code may use corporate property, information or their position for personal gain, nor compete with the Company either directly or indirectly.

## **CONFIDENTIAL INFORMATION**

All directors, officers, employees and agents of the Company should bear in mind that it is an ethical responsibility of the Company to maintain its long-standing tradition of strict confidentiality as to matters the Company is handling for customers, including all facts or plans communicated to, and all papers received or prepared by, the Company or its affiliates, employees, agents or representatives, except where disclosure is required by law. The utmost caution must be exercised to avoid disclosing confidences of any kind in any way, either while work is underway or after it has been concluded.

This Code is a reminder that it is improper, and in some circumstances unlawful, to use non-public customer information of any kind for personal gain. In particular, where the Company's work for a publicly-owned company gives individuals access to material non-public information as to that company's business, plans, or prospective merger, acquisition, or similar transactions with another company, no one connected with the Company should buy or sell securities of the entity or affiliated entities, or of the other entity or its affiliates, or "tip" any other person to do so while the information remains non-public. These restrictions apply not only to one's own securities transactions, but also to all other transactions over which one has control, such as transactions in self-directed retirement plans, custodial accounts, and trust accounts.

It is necessary for all persons covered by this Code to be mindful of their surroundings when discussing or in possession of confidential information. Discussions of confidential information should not occur in the presence of others who do not have a need to or right to know.

In addition, the Company's directors, officers and employees, may not disclose any of the Company's confidential and proprietary business information and/or trade secrets to anyone not employed by the Company and may not use confidential or proprietary information and/or trade secrets for their own benefit, or for the benefit of anyone outside the Company. Directors, officers and employees must maintain the confidentiality of confidential information entrusted to them by the Company or its customers or suppliers, except when disclosure is authorized by senior management or required by applicable laws, rules or regulations. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the Company or its customers or

suppliers, if disclosed. The obligation to preserve confidential information in accordance with Company policy and practice continues even after employment ends.

## **RECORD KEEPING**

The Company requires honest and accurate recording and reporting of information. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, and must appropriately reflect the Company's transactions and must conform to applicable legal requirements, to the Company's system of internal controls, and the Company's applicable policies and practices.

Business records and communications often become public and we should avoid exaggeration, derogatory remarks, guess work, or inappropriate characterization of people and companies that can be misunderstood. This applies equally to electronic communications, internal memos, and formal reports. In the event of litigation or governmental investigations, please consult the Company's corporate counsel.

## **FAIR DEALING**

We compete aggressively, but fairly. All directors, officers, employees and agents are obligated to deal fairly with our customers, suppliers and competitors. Unfair advantage of a situation should not be taken through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing practice.

We also require that competitive practices not be the subject of any agreement or understanding in restraint of trade with another competing bank or financial institution and any agreement between the Company and other banks or lending agencies that would stifle or reduce competition must be avoided.

Long lasting customer relationships, built on trust, are vital in achieving our mission. To preserve the customer's trust, all interactions should be dealt with fairly, honestly and with integrity. All information supplied to customers should be current, accurate and complete, to the best of our knowledge.

## **PROTECTION AND PROPER USE OF COMPANY ASSETS**

All persons covered by this Code should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. The use of Company assets or monetary funds, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

As a reminder, company assets also include data and communications transmitted to or received by, or contained in, the Company's electronic or telephone systems or by written media. The Company owns all information and material created, sent, received or stored on its systems. Any communications, whether business related or personal, may be monitored or reviewed by Company.

## **COMPLIANCE WITH LAWS, RULES AND REGULATIONS (INCLUDING INSIDER TRADING)**

The Company will not tolerate any activity, by any person covered under this Code, which violates any laws, rules or regulations applicable to the Company. This includes, but is not limited to, laws covering commercial bribery, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, offering or receiving gratuities, employment discrimination or harassment, false or misleading financial information or misuse of corporate assets.

All directors, officers and employees must respect and obey the laws of the cities and states in which we operate. Although not all directors, officers and employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, Human Resources representatives, or other appropriate management personnel. Similarly, all directors, officers, employees and agents must respect and abide by all Company policies. All directors, officers, employees and agents of the Company are required to report a known, or suspected, violation of any law, rule, regulation or Company policy.

## **WAIVERS OF THE CODE OF BUSINESS CONDUCT AND ETHICS**

As a general matter, the Company's Board of Directors does not expect to grant waivers with respect to this Code. In those limited situations under which a waiver is granted, any waiver of this Code for executive officers or directors may be made only by the entire Board of Directors or the independent directors of the Board and will be promptly disclosed as required by law, rule or regulation.

## **REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR**

Accountability for adherence to this Code is a duty required of every director, officer, employee and agent of the Company. This accountability includes the prompt reporting of any known or suspected act, conduct, behavior or situation that conflicts, or appears to conflict, with or violates any portion of this Code.

Reporting of a situation can be made to your supervisor, someone in management or a Human Resources representative. A breach of this Code or any unethical behavior that

violates, or appears to violate, this Code may result in termination of employment and/or removal from the position held within the Company.

Furthermore, the Company has created an anonymous and confidential method for employees to submit information concerning questionable accounting or auditing practices to the Company's Audit Committee. If you have any concerns regarding questionable auditing or accounting or information on any fraudulent or other inappropriate activity that could affect the accuracy of the Company's financial or regulatory reports, please contact either individual listed below, or complete a "How Are We Doing" form, which you can obtain from the Human Resource department, the company intranet, or the copy that is attached to this Code.

Joanie Dauser, Internal Auditor  
Firstbank Corporation  
311 Woodworth Avenue  
Alma, MI 48801  
[joanned@firstbank-corp.com](mailto:joanned@firstbank-corp.com)

Ed Grant, Audit Committee Chairman  
Firstbank Corporation Board of Directors  
311 Woodworth Avenue  
Alma, MI 48801  
[edgrant@firstbank-corp.com](mailto:edgrant@firstbank-corp.com)

After a report is made, an investigation will be conducted immediately. Confidentiality will be protected to the extent possible and as required by law, and retaliation for bringing forth a known or suspected violation, in good faith, is strictly prohibited.



## *How Are We Doing?*

Firstbank Corporation is committed to maintaining the highest level of integrity in our **auditing and accounting practices**. To do so, while complying with Section 301(4) of the Sarbanes-Oxley Act, Firstbank has created an anonymous and confidential method for employees to submit information concerning questionable **accounting or auditing practices** to its Audit Committee. Supplying this information will not lead to retribution or discriminatory treatment regarding your employment status.

If you have any concerns regarding questionable **auditing or accounting practices** or information on any **fraudulent or other inappropriate activity** that could affect the accuracy of Firstbank Corporation's financial or regulatory reporting, *please* contact either individual listed below or complete this form and send it to either address:

1) Joanie Dauser, Internal Auditor  
Firstbank Corporation  
311 Woodworth Avenue  
Alma, MI 48801  
[joanned@firstbank-corp.com](mailto:joanned@firstbank-corp.com)

2) Ed Grant, Audit Committee Chairman  
Firstbank Corporation Board of Directors  
311 Woodworth Avenue  
Alma, MI 48801  
[edgrant@firstbank-corp.com](mailto:edgrant@firstbank-corp.com)

Please explain the situation and circumstances below:

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(If needed, please continue on the back of this form, or attach a separate sheet of paper)

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Name and Department (optional)

\_\_\_\_\_  
Date