

MACATAWA BANK CORPORATION

CODE OF ETHICS & CONFLICTS OF INTEREST POLICY

Purpose and Contents

At Macatawa Bank Corporation, we believe that honest and ethical conduct requires more than simply complying with the laws, rules and regulations that govern our business. Our business is built on personal integrity and trust, and our success depends upon maintaining the trust of our customers and shareholders. All business affairs of Macatawa Bank Corporation and its subsidiaries, including Macatawa Bank (collectively referred to in this Code of Ethics & Conflicts of Interest Policy as the “Company”), must be conducted in compliance with all applicable laws, rules and regulations and in accordance with the highest standards of honesty, integrity and ethical behavior.

This Code of Ethics and Conflicts of Interest Policy (“Code”) is applicable to all of the Company’s directors, officers, and employees (referred to collectively as “associates” in this Code) unless otherwise provided for in this Code.

Purpose

The Code is intended 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 documents the Company files with, or submits to, the United States Securities and Exchange Commission (“SEC”) and in all public communications made by the Company;
- Compliance with applicable governmental laws, rules and regulations; and
- Prompt internal reporting to designated persons of violations of this Code.

Role of this Code

This Code does not specifically address all forms of conduct that may raise conflicts of interest or violations of applicable law. It is intended to supplement good judgment, common sense and moral reasoning to avoid even the appearance of impropriety. This Code does not supersede any Company policy or legal requirement. This Code does create any rights of continued employment.

General Standards of Conduct

In performing their duties to the Company and fulfilling the Company’s obligations to our shareholders, customers and vendors, all associates are expected to:

- Act in good faith, responsibly, with due care, competence and diligence, and without misrepresenting material facts or allowing independent judgment to be compromised.
- Comply with all applicable laws, rules and regulations and Company policies.

- Promote ethical behavior in the work environment.
- Promptly report all violations of this Code.

Financial Controls and Reporting

The integrity and accuracy of the financial information that we disclose to our shareholders and report to regulatory authorities is critical to our success as a Company. Therefore, all associates are expected to:

- Take reasonable measures to assure that transactions are recorded accurately and fairly as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles.
- Take reasonable measures to assure that receipts and expenditures of the Company are made only in accordance with the authorizations of management and directors of the Company, with adequate supporting documentation, and for the purposes described in the supporting documentation.
- Comply with the Company's disclosure controls and procedures and internal controls over financial reporting.
- Make no false or misleading entries in the Company's books or records for any reason, and no undisclosed or unrecorded account or fund shall be established for any purpose.

Use of Company Assets and Expenses

Associates of the Company are required to protect the Company's assets, ensuring they are used efficiently and only for legitimate business purposes. Theft, fraud, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of theft or fraud is to be immediately reported for investigation.

- *Company Funds.* Associates entrusted with Company funds are personally responsible for the handling of those funds.
- *Physical Assets.* Associates entrusted with use of the Company's physical assets must protect them from loss, damage, misuse or theft. These assets are to be used only to conduct Company business and for purposes authorized by management.
- *Expenses.* Associates are expected to report all business related expenses, purchases and travel accurately and honestly. All expenditures must be ordinary and necessary to accomplish expected business purposes and must include required approvals and be in accordance with existing expense policies.
- *Proprietary Information.* The obligation of associates to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, product ideas, designs, databases, records, customer lists, customer trade data, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy, and may be illegal and result in civil or even criminal

penalties.

Personal Conduct

General. All associates should always be mindful of the Company's position and reputation in the community. Since the success of any banking organization depends on public trust, it is extremely important that all associates conduct personal affairs in such a way as to avoid discredit or embarrassment to themselves or to the Company. Personal behavior and appearance should, likewise, be governed by both common sense and good taste. All associates are expected to provide complete and truthful information in dealing with the Company.

While conducting Company business or representing the Company, all associates are expected to conduct themselves in a nondiscriminatory manner with Company shareholders, customers, vendors, employees, and the general public. This Code prohibits discriminatory conduct due to race, age, color, religion, national origin, sex, sexual orientation, veteran status, disability, or any other basis protected by federal, state, or local law. Discriminatory behavior not only is illegal, but it also diminishes good customer, vendor, and employee relations, all of which are essential to the success of the Company.

Financial. All associates are expected to demonstrate an ability to manage personal finances properly so as not to reflect negatively on the Company. Personal finance should be managed in a manner consistent with employment in a fiduciary institution. This obligation requires the exercise of prudence in the making of personal investments and the avoidance of clearly speculative transactions as well as specific situations which might influence judgments made or advice given on behalf of the Company in the course of business. In addition, associates are prohibited from borrowing from or lending personal funds to other associates, customers or suppliers.

Conflicts of Interest and Improper Benefits

All associates of the Company have a duty of loyalty, which means that the well-being of the Company must be held to the utmost priority in connection with all business transactions. As such, all associates are expected to make business decisions on behalf of the Company free from conflicting outside interests. Each associate must be aware that personal interests or activities have the potential to interfere, or appear to interfere, with his or her duties to the Company, our shareholders and customers. Associates must act with honesty and integrity, and avoid actual or apparent conflicts of interest between what is in the best interest of the Company and what could result in personal gain.

In general, a conflict of interest occurs when an associate of the Company's private interest interferes in any way (or even appears to interfere) with the interests of the Company as a whole. A conflict situation can arise when an associate of the Company takes action(s) or interest(s) that may make it difficult to perform his or her work objectively and effectively. Conflicts of the interest may also arise when an associate or a member of his or her family receives improper personal benefits as a result of his or her position at the Company. Loans to, other than those made in the ordinary course of business, or guarantees of obligations of, associates and their family members may also create a conflict of interest. Specifically, associates must:

- Discourage and reject offers of improper personal benefits that may be presented as a result of his or her position with the Company.
- Disclose to the Company any direct or indirect material personal involvement with or interest in any transaction involving the Company.

- Refrain from representing the Company in any transaction where the associate has a personal connection or financial interest that would limit the associate's ability to fulfill his or her obligations to the Company.
- Refrain from owning any interest in another company or business which might materially benefit by an action or decision consummated by such an associate on behalf of the Company.
- Refrain from soliciting for themselves or for a third party (other than the Company itself) anything of value from anyone in return for any business, service or confidential information of the Company.
- Refrain from accepting anything of value (other than bona fide salary, wages and fees) from anyone in connection with the business of the Company, either before or after a transaction is discussed or consummated.
- Refrain from using their position with the Company to influence public officials or others for personal benefit or for the benefit of another party. Likewise, employment with the Company should not be used as leverage to gain favors from customers or suppliers.
- Refrain from signing on customer accounts, having access to their safe deposit boxes, or otherwise representing customers (except in situations where associates act in an ownership capacity).

Confidentiality

As a financial institution, our customers regularly entrust us with highly sensitive and confidential information. In addition, associates may, in the course of their duties, receive confidential information concerning the Company. All associates must:

- Respect the confidentiality of information acquired in the course of work, except when authorized or legally obligated to disclose confidential information.
- Comply with applicable law regarding the nondisclosure and use of customer information.
- Never use confidential information acquired in the course of work for personal advantage.
- Not trade, or recommend that any other person trade, the securities of the Company or any other entity on the basis of material non-public information.
- Not disclose material non-public information about the Company's business or financial performance prior to public release by the Company except to associates and professionals who have a need to know.
- Not leave documents of a confidential nature lying on a desk or work area when not in direct use. If particularly sensitive information is involved, additional precautions should be taken.
- Keep confidential files in a locked compartment or other secure place.
- Take due care to protect the security of documents if it is necessary to take them off premises.

In accordance with the Gramm-Leach-Bliley Act (GLBA), the Company is required to have administrative, technical and physical safeguards for sensitive customer information against unauthorized access, modification, destruction or disclosure. Sensitive information collected by the Company must not be used or disclosed for any reason other than the intended purpose and must be protected from misuse that could result in identity theft. Associates must follow applicable policies and procedures and safeguard information in whatever form it exists (i.e., electronic or hard copy). Deliberate or willful violations of existing policies for protecting Company information or negligent failure to protect Company information properly may result in disciplinary actions up to and including termination.

Refer to the Company's Information Security Program for detailed information.

Directors or Officers in Outside Companies

When an associate of the Company serves on the board or is an officer of a non-affiliated business corporation, there is a potential for a conflict of interest to arise with the Company. Therefore, it is the responsibility of each associate to disclose any of their business relationships or financial interests in entities or any of their transactions in which the Company is involved in writing to the Human Resources Department.

Unless specifically approved by the Human Resources Department and/or Chief Executive Officer, no associate shall serve as an officer or director for any non-Company entity which:

- Competes with the Company;
- Is in substantial default to the Company on any loan, contract, or other obligation; or
- Is involved in a substantial controversy or litigation with the Company.

Membership in Civic, Charitable, or Political Organizations

Civic and Charitable Organizations. The Company recognizes the benefits of active participation by associates in non-profit organizations. Appointments as a trustee, director, or officer of non-profit religious, charitable, and health and welfare organizations are also recognized as worthwhile community involvement. On an ongoing basis associates of the Company who are actively involved in civic and charitable organizations within the community are requested to register their appointment as trustee, director or officer of a civic and charitable organization in the designated database managed by the Compliance Officer and obtain the prior consent of their immediate supervisor with concurrence from Senior Management. Executive Officers of the Company must discuss the appointment in advance with the Chief Executive Officer.

Political Organizations. Associates who run for political office or have a prominent role in a campaign or ballot measure are encouraged to consider their position at the Company. The amount of time required by an associate's political activities may be significant and may have an adverse effect on overall performance of job duties or responsibilities. Prior written notice to the immediate supervisor and Human Resources Manager is required prior to running for a political office or considering a prominent role in a campaign.

Outside Employment

Officers and employees of the Company are not permitted to engage in any other employment for salary, wages, or commissions either during working hours or after working hours without full disclosure

to his or her supervisor and the Human Resource Manager. Officers and employees may not work part time in any other bank or financial institution. No outside employment of any kind will be approved which might subject the Company to criticism or which would encroach upon working time, interfere with regular duties, or necessitate such long hours as to affect the individual's performance.

Officers and employees must avoid outside employment which involves or may appear to involve a conflict of interest. Examples include:

- Employment by a company or personally engaging in any activity competitive with the Company;
- Employment which involves the use of the Company's equipment, supplies or facilities;
- Employment which involves the preparation, audit or certification of statements, tax returns, or other documents upon which the Company may place reliance for lending or other purposes.
- Employment which involves the rendering of investment, legal or other advice, or exercising judgment which is based upon information, reports or analyses that are accessible primarily from or through the individual's employment with the Company;
- Employment under circumstances which may suggest the sponsorship or support of the Company on behalf of the outside employer or an outside organization.

Advice to Customers

Legal Advice. Associates of the Company may on occasion be asked by customers to make statements which relate to the legality of particular transactions. The Company cannot practice law or provide legal advice. As such, associates must exercise care in discussions with customers. Nothing must be said which might be interpreted as the giving of legal advice.

Tax or Investment Advice. Associates of the Company must avoid giving customers advice on tax matters, the preparation of tax returns, or in investment decisions, except as may be appropriate in the performance of a fiduciary responsibility or as otherwise required in the ordinary course of duties.

Recommending Other Firms. During the course of contact with shareholders, customers and the general public, associates of the Company may be asked to recommend others who provide professional services. Typically, such requests involve attorneys, accountants, securities dealers, insurance agents, brokers, and real estate agents. Customers who receive recommendations must be given several qualified sources without indicating any preference or warranty by the Company.

Lending Relationships and Prohibited Lending Practices

Borrowing. To avoid possible conflicts of interest, loan applications submitted to associates of the Company by relatives or close personal friends (or entities controlled by relatives or close personal friends) are to be submitted to other independent associates of equal or higher position for processing and approval. This Code also applies to the processing and approval of overdrafts, waiver of service charges, and other services.

Prohibited Lending Practices. Any transaction between an associate of the Company and a customer of the Company must be conducted on an "arm's length basis", meaning the individual may not

receive any discount or other benefit not normally granted to others. Additionally, no associate may borrow directly from another associate.

Associates may not borrow money from customers or vendors of the Company, except from recognized lending institutions. The term “borrow” does not include a purchase from a customer or vendor resulting in an extension of credit in the normal course of business.

Lending officers are not permitted to process loan applications or to extend credit to members of their immediate family. Immediate family is defined as spouses, parents, children, and/or siblings. Any such loan application must be referred to another lending officer.

Gifts, Gratuities, and Other Payments

Associates and their immediate families may not solicit, accept or retain a personal benefit from any customer of the Company, any individual or organization doing or seeking to do business with the Company, or from any other individual or organization. In this context, a personal benefit is regarded as any type of gift, gratuity, favor, service, loan, legacy (except from a relative), fee or compensation or anything of monetary value.

This prohibition does not apply if there is no, and there appears to be no, reasonable likelihood of improper influence in the performance of duties on behalf of the Company and if the personal benefit falls into one of the following categories:

- Acceptance of gifts, gratuities, amenities or favors based on family relationships where circumstances make it clear that it is those relationships, rather than the business of the Company, which are the motivating factors.
- Acceptance of meals, refreshments, travel arrangements, accommodations, or entertainment, all of reasonable value and in the regular course of a meeting or other occasion, the purpose of which is to hold a bona fide business discussion.
- Acceptance of loans from other banks or financial institutions on customary terms to finance proper and usual activities of associates, except where prohibited by law.
- Acceptance of advertising or promotional material of nominal value, such as pens, pencils, note pads, key chains, calendars and similar items.
- Acceptance of discounts or rebates on merchandise or services that are offered by a third party to all associates, or through a program approved by the Company, or to the general public.
- Acceptance of gifts of modest value related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, holiday or other similar occasion.
- Acceptance of civic, charitable, educational, or religious organizational awards for recognition of service and accomplishment.
- Fees or other compensation received from an organization in which membership or an official position is held as approved by the Company.

Any personal benefit received, other than the exceptions noted, is to be reported to the Human Resources

Manager.

There are certain areas where each associate of the Company must be especially concerned. Where there is any question about a conflict of interest, even though it does not exist in actuality or where it is temporarily unavoidable, the particular situation should be disclosed in writing and filed with the Human Resource Manager or Chief Executive Officer of the Company. Areas in which disclosure must be made and in which special care should be exercised include the following:

- Holding a material financial interest (by being a director, officer, partner, 10% or more equity holder, creditor or guarantor) in a firm which provides services or supplies materials or equipment to the Company, or with a firm which is in competition with the Company, or with a firm which is a customer of the Company.
- Speculating or dealing in equipment, supplies, materials or property purchased by the Company or speculating or dealing for his own account in products sold or repossessed by the Company.
- Borrowing money from suppliers or customers or from individuals or firms with whom the Company does business.
- Acquisition by purchase or lease of real estate in which it is known the Company has an interest, or which may improve in value because of the Company's interest in adjoining property.
- The misuse of information to which the person has access by reason of their employment or position, such as the disclosure of confidential information to competitors, customers or others outside the Company.
- With respect to loans to directors and their companies or companies in which they have an interest, it is the policy of the Company that the director so involved will not participate in the discussion nor vote on the approval or disapproval of these loans. Such loans to a director or a director affiliated company are to be made on similar terms for comparable credit risks.
- With respect to disclosures in dealing with auditors and bank examiners, the Chairman of the Board, Chief Executive Officer and Chief Risk Officer must be informed at all times of any matters which might be considered sensitive in preserving the Company's reputation. Questions put by the Company's outside independent auditors shall be responded to candidly and no adverse information in response to a question shall be concealed.

Obeying Laws and Regulations

All associates of the Company must carry out their responsibilities in accordance with applicable laws and regulations. Associates who commit illegal acts will be subject to disciplinary action.

Reporting Violations

Violations of this Code, complaints regarding accounting, internal control or audit matters, or concerns regarding questionable financial or accounting matters should be reported to the director of internal audit. If there is reasonable cause to believe that the director of internal audit is involved in the matter to be reported, the violation may be reported to the chair of the Audit Committee of the Board of Directors. All reports may be made on a confidential and anonymous basis using the Company's

independent designated whistleblower hotline service. Copies of all such reports received shall be retained and summaries of such reports will be reported to the Audit Committee at least quarterly.

No Retaliation

The Company will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against any associate in the terms and conditions of his or her employment, or permit any such retaliation or discrimination on behalf of the Company, for any good faith report of any act or omission such person reasonably believes to have been a violation of this Code.

Consequences of Violations

The Company expects all associates to honor and abide by this Code in all respects. Associates who violate this Code will be subject to appropriate discipline, up to and including discharge (in the case of employees and officers) or removal (in the case of directors).

Amendments and Waivers

This Code may be amended by the Board of Directors or the Audit Committee of the Board of Directors. Any waiver of this Code must be approved by the Audit Committee or the Board of Directors.

Code Distribution and Acknowledgement

A copy of this Code and a statement of Code adherence will be sent at least annually to each associate with the request that they sign and return the statement to the Chief Executive Officer. In the event an associate's situation changes materially during the period of the year, the associate should advise the Human Resources Manager or Chief Executive Officer of these changes.

I, the undersigned, holding a position with the Company and/or its affiliates, acknowledge that I have received, read, and fully understand the Code and hereby declare and pledge that I will observe the Code, and all within mentioned related policies, while employed by, or while serving as a director at the Company and/or its affiliates.

Signature

Date

Printed Name

DIRECTOR'S, OFFICER'S AND EMPLOYEE CONFLICTS OF INTEREST REPORT

To: Chief Executive Officer
and Board of Directors

From: _____ (print name)

I hereby declare that I have familiarized myself with the provisions of Macatawa Bank Corporation's Code of Ethics and Conflicts of Interest for Directors Officers and Employee Policy and that the following disclosures by me in this report, as required by that Code, are true, accurate and complete to the best of my knowledge.

Outside Business Interests & Affiliations		
Name of Company or Business	*Amt. Invested or % of Stock Owned	Customer of Macatawa Bank
1 _____		Yes / No
2 _____		Yes / No
3 _____		Yes / No
4 _____		Yes / No
5 _____		Yes / No

Management Interests		
Name of Company or Business	Position	Customer of Macatawa Bank
1 _____		Yes / No
2 _____		Yes / No
3 _____		Yes / No
4 _____		Yes / No
5 _____		Yes / No

*Only if represents 5% or more of outstanding stock

Dated _____ (Signed) _____