

Consumers National Bank

Information Disclosure Policy

Employees, Officers and Directors

INFORMATION DISCLOSURE

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OBJECTIVES OF THIS POLICY

The objectives of this policy are to ensure that communications to the public about CNB:

- are factual and accurate;
- are disseminated widely and on a timely basis so that all investors have relatively equal access to the information contained in them; and
- meet all legal requirements

POLICY/PROGRAM SCOPE

This policy applies to all directors, officers and employees of Consumers Bancorp, Inc. (“CNB” or the “Company”), its subsidiaries and its affiliates. This policy covers any and all disclosures of nonpublic, material information about CNB.

POLICY ELEMENTS

Material Information

Information about CNB is considered material if a reasonable person would attach importance to it in determining whether to buy, sell or hold our stock. Some examples of information that likely could be material are:

- estimates of future earnings or losses;
- a proposed merger, acquisition or sale;
- significant changes in executive management;
- beginning or settling a major lawsuit;
- changes in dividend policies;
- declaring a stock split;
- a securities offering;
- regulatory compliance matters; or
- winning a large new contract (or losing a large contract).

Appendix B includes further information regarding materiality.

Non-Public Information

Non-public information is information that has not been disclosed to the general public by means of a press release, SEC filing or other medium that ensures broad dissemination and public access. Disclosure to even a large group of people may not constitute disclosure to the public if the information is not simultaneously accessible to the public at large.

Limitations on Disclosure of Non-Public Material Information

- You are not permitted to disclose non-public, material information about CNB to anyone outside of CNB, unless you are an authorized officer as designated by our Disclosure Committee and you are acting within the scope of the authority granted to you by that Committee.
- You may disclose non-public, material information about CNB only to CNB directors, officers and employees who have a “need to know” such information in the course of performing their duties.
- You may not purchase or sell any CNB stock or other securities while you are aware of or in possession of non-public, material information. Similarly, you may not purchase or sell the stock or other securities of any other company with whom CNB is doing business if you are aware of or in possession of non-public, material information about that company. You may not use any such information in any manner that would directly or indirectly benefit you, your family members, friends, neighbors, business acquaintances or other third parties (e.g., “no tipping”).
- Only specifically authorized CNB officers may talk to, or otherwise communicate with, securities analysts, institutional investment managers, stockholders, the media and/or other potential investors or securities professionals about our strategic plans, significant organizational or administrative matters, results of operations, financial information or other non-public, material information. You are not so authorized unless and until you have been specifically authorized by CNB’s Disclosure Committee.
- If you believe that non-public, material information may have been disclosed by an unauthorized person, whether intentionally or inadvertently, you must immediately contact the Chief Financial Officer.

Forward-Looking Information

- From time to time, the Company may provide forward-looking information to enable the investment community to better evaluate the Company and its prospects. Because of the litigation risks inherent in providing forward-looking information, the Company will take appropriate steps to ensure compliance with the requirements of the "safe harbor" from federal securities law liability for forward-looking information:
 - **Identification.** Any forward-looking statement, whether written or oral, will be identified as such.
 - **Actual results may differ.** A statement will be made that actual results could differ materially from those projected in the forward-looking statement.
 - **Meaningful cautionary statements.** The forward-looking statement will be accompanied by meaningful cautionary statements that specifically identify important risk factors that could cause actual results to differ materially from those projected in the statement.
 - **Written.** Where the forward-looking statement is written, such meaningful cautionary statements should be included in the document in which the forward-looking information is contained. This measure will warn investors that there is a risk that the statement could change materially.
 - **Oral.** Where the forward-looking statement is oral, the Company's spokesperson should refer to a readily available document – generally, the Company's news releases and periodic filings with the SEC.
- The Company will not project financial performance except through timely and broad dissemination via press releases and/or conference calls, as deemed necessary. The Company may consider including a "business outlook" section in its quarterly press releases that forecasts its expectations with respect to

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those factors which drive the Company's earnings. The Company will include this "business outlook" only if it can do so with confidence, has a reasonable basis for making these forward-looking statements and accompanies these statements with the requisite cautionary statements that meet the requirements of the federal securities laws.

RISK IDENTIFICATION & THE CONTROL ENVIRONMENT

Review of Policy

The board of directors, or its designee, shall approve this policy at least annually, making such revisions and amendments, as it deems appropriate.

Management Oversight/Authority & Responsibility

The Chief Financial Officer is responsible for the development, implementation and oversight of this policy and the procedures which support it as outlined above. The Disclosure Committee is responsible for the designation, upon Board approval, of Company spokespersons, defining their roles and responsibilities while serving in the capacity of the Company spokesperson and developing a response process if inadvertent disclosures are made. Compliance with this policy is the shared responsibility of every CNB employee, officer and director, and all will be held accountable for protecting the Company's reputation from damage which could be caused by a failure to abide by the provisions outlined herein.

Training & Employee Awareness

Training relative to the Information Disclosure Policy requirements, internal control objectives, and assigned responsibilities is achieved through the cooperative effort of the Chief Financial Officer and Human Resource Department, who are responsible for incorporating these objectives into routine procedures and department controls.

This Information Disclosure Policy shall be presented to every new employee as part of the Human Resources Department's new employee orientation. The person conducting the orientation session shall provide the new employee with a brief explanation of the policy and its importance, and shall answer any questions regarding the policy.

Following this introduction, the new employee shall read the Information Disclosure Policy and sign a certification form acknowledging that the employee has read the policy, understands its provisions, and agrees to abide by them.

This Information Disclosure Policy shall also be presented to new members of the CNB Board of Directors, or those of its subsidiaries and/or affiliates, as applicable, and each new director shall sign a certification form acknowledging that the director has read the policy, understands its provisions, and agrees to abide by them.

On an annual basis, all employees and directors shall review and recertify that they have read the Information Disclosure Policy, understand its provisions, agree to abide by them, and have complied with them over the past year.

Record Retention

Original and revised copies of the Information Disclosure Policy will be kept on file in the Compliance Department. All related certification forms will be kept on file in the Human Resource Department.

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APPENDIX A: MATERIALITY

Public companies must continually identify the information they are required to release to the public and determine how and when to release that information. The first step in making these determinations is deciding whether the information at issue is "material" because non-material information is not required to be disclosed publicly. Materiality should be viewed from the perspective of anyone making an "investment recommendation or decision," not merely a decision to trade securities. For example, an analyst will consider such information in the context of making an investment recommendation, which may or may not result in a trade.

The classic legal definition of materiality generally states that information is material if its disclosure would be likely to have an impact on the price of a security or if reasonable investors would want to know the information in making a decision to buy, sell, or hold the security. In other words, information is material if it would significantly alter the total mix of information currently available in the marketplace regarding the security.

There are no firm guidelines from a legal standpoint to assist in determining what information is material and what is not. However, the following types of information are generally regarded as "material":

- Financial results of the Company, including earnings or operating results;
- Projections of earnings and other financial data;
- Significant litigation or disputes with customers, suppliers or contractors;
- Gain or loss of a significant client, supplier or contract;
- Acquisition or divestiture proposals or agreements;
- Bankruptcies or receiverships;
- Major changes in corporate structure;
- Public offerings or private sales of debt or equity securities;
- Stock redemption or repurchase program by the Company;
- Significant changes in Company personnel;
- Significant expansion or reduction of operations;
- Significant new products, services or marketing plans;
- Write-ups or write-downs of assets or changes in accounting methods;
- Changes in auditors or auditor's notification that the issuer may no longer rely on an auditor's audit report;
- Actual or projected changes in industry circumstances or competitive conditions that could significantly affect the Company's sales, earnings, financial position or future prospects;
- Increases or decreases in cash dividends; and
- Stock splits or stock dividends.

Of course, this list is merely illustrative and not exhaustive. Other types of information may be material at any particular time depending on the circumstances.

Determining the materiality of information is an area where judgment and experience are of great value. In addition to examining information in the context of the legal definition of materiality, one must use good

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judgment. In the event there is any question regarding the materiality of information, the information should probably be considered material and released using broad means of dissemination. "Broad dissemination" normally requires that the information be released in the form of a press release and disseminated over one or more of the major wire services, such as Dow Jones, Reuters, and Bloomberg or alternatively, included in a report filed with the SEC.

The process of determining the materiality of information is made even more difficult by the fact that Company officials often have little time for deliberation. For example, a Company official may disclose information that analysts believe to be material in response to questions during a meeting with analysts or investors. The Company must then determine whether it has made an inadvertent disclosure of material, nonpublic information so it can release it promptly as described under Regulation FD. At that point, analysts are then free to use that information.