

**FNBH BANCORP, INC.**  
**POLICY REGARDING THE RESOLUTION OF REPORTS**  
**ON THE COMPANY'S ACCOUNTING, INTERNAL CONTROLS,**  
**AND OTHER BUSINESS PRACTICES**

**General Policy Statement**

FNBH Bancorp, Inc. (the "Company") is committed to fostering a workplace conducive to open communication regarding the Company's business practices and to protecting employees from unlawful retaliation and discrimination for their having properly disclosed or reported illegal or unethical conduct. In an effort to further this commitment, this policy: (i) establishes guidance for the receipt, retention, and treatment of reports received by the Company regarding accounting, internal controls, auditing matters, fraud and unethical business practices, whether submitted by Company employees or third parties; (ii) establishes guidance for providing Company employees a means to make these reports in a confidential and anonymous manner; and (iii) makes clear the Company's intention to discipline, including termination of employment, any person determined to have engaged in retaliatory behavior.

**Receipt**

This policy and the attached notice regarding Problem Resolution Resources and the availability of the Shareholder.com Whistleblower Hotline shall be provided to the Company's employees and made generally available through the Company's Employee Handbook. The Company has designated the Chief Financial Officer (the "Manager") who shall be the recipient of all the reports filed under this policy and who shall coordinate any necessary Company action. Any report received by a Company officer, director, or employee from a non-Company employee should be immediately forwarded to the Manager.

**Retention**

Reports filed under this policy will be controlled and documented by the Manager. The Manager shall maintain all related documentation for six years. All related documentation should be maintained in secured files to which only the Manager and the Audit Committee members shall have full access.

**Treatment of Reports**

All reports will be taken seriously and addressed promptly, discreetly and professionally. Should an employee desire to remain anonymous, that desire will be respected. Discussions and documentation regarding reports will be kept in strict confidence to the extent appropriate or permitted by policy or law. Should the employee identify himself or herself, the Manager will communicate to the employee the steps to be taken to address the report and the results of any Company actions initiated. This confidential report process may be used either to submit a new report, or to address an employee's previous report, which such employee does not feel was adequately resolved.

## **Retaliation**

Retaliation against any employee that files a report or voices a concern under this policy is strictly prohibited. Employees determined to have engaged in retaliatory behavior may be subject to discipline, which could include termination of employment. Any employee who feels that he or she has been subjected to any behavior that violates this policy should immediately report such behavior to his or her Supervisor, the Manager, or Senior Vice President of Human Resources. Please note however, that employees who knowingly file misleading or false reports, or without a reasonable belief as to truth or accuracy, will not be protected by this policy and may be subject to discipline, including termination of employment. Employees also should be aware of their responsibilities regarding the confidentiality of Company information as outlined in the Confidentiality Agreement contained in the Company's Employee Handbook.

## **Audit Committee Review of Reports**

A summary of reports received by the Manager will be communicated to the Audit Committee on a quarterly basis (or a more frequent basis should conditions warrant more timely action). Additionally, the Chair of the Audit Committee and the Bank's outside legal counsel will receive e-mail alerts directly from Shareholder.com for all voicemail, e-mail or web forms received through the Whistleblower Hotline.

## Exhibit A

### Notification of Problem Resolution Resources

The Company has established through Shareholder.com a Whistleblower Hotline, as a means for you to submit confidential, anonymous reports regarding accounting, internal controls, auditing matters, fraud and unethical business practices. The Shareholder.com Whistleblower Hotline allows reports to be submitted by telephone, e-mail or through a secure Internet site. Shareholder.com is a completely independent third-party that protects the anonymity of any individual making a complaint.

Never hesitate to ask a question or report a concern. Generally, your most immediate resource for questions or concerns is your Supervisor. Your Supervisor may have the information you need, or may be able to refer the question to another party.

There may, however, be times when you prefer not to go to your Supervisor, and may want confidential advice. You may want more information than your Supervisor can provide you, or you may want to report a concern about your Supervisor's conduct. In these cases it is appropriate to call the Manager or use the Shareholder.com Whistleblower Hotline. Both the Manager and the Shareholder.com Whistleblower Hotline give you a vehicle to communicate your concern on an anonymous basis, if you choose to maintain your anonymity. Communications should be specific, identifying, as best possible, names, dates, places, the conduct involved, the employee's perception of why the conduct may be a problem, and what recommendations, if any, the employee would make to rectify the situation, as well as any other pertinent information.

When you contact the Manager or use the Shareholder.com Whistleblower Hotline you can expect the following:

- Your report will be taken seriously;
- Your right to remain anonymous will be respected, although you are encouraged to identify yourself;
- Your request for information or action will be handled promptly, discreetly and professionally;
- Discussions and inquiries will be kept in strict confidence to the extent appropriate or permitted by policy or law;
- Our Compliance and Security Officer, outside legal counsel and Senior Vice President of Human Resources will become involved in the process as appropriate; and
- Should you identify yourself, the Manager will communicate the steps to be taken to address the complaint and the results of any follow-up actions initiated.

#### CONTACT INFORMATION

- 1) To speak directly with Company's Manager, call 517-545-2213 and leave a voice mail message.  
(Note: This is a secure extension that can only be accessed by the Manager).
- 2) Follow the attached procedures to contact the Shareholder.com Whistleblower Hotline.
- 3) To send a letter, write to: Chief Financial Officer, 101 E. Grand River, Howell, MI 48843

NOTE: Should you have a complaint regarding the Manager, please contact your Supervisor or contact our Audit Committee Chairperson, Phil Utter at (517) 223-7330 or by email at [specialtycont@aol.com](mailto:specialtycont@aol.com), or our Company Legal Counsel, Kimberly Baber at (616) 336-6851 or by email at [kababer@varnumlaw.com](mailto:kababer@varnumlaw.com).

## WHISTLEBLOWER HOTLINE PROCEDURES

Understanding and acting upon any issues that exist regarding financial, accounting and/or audit matters is an essential component to our ability to take action and ensure the highest levels of financial fidelity.

**Your message, delivered directly to the Audit Committee, may be left in any one of three methods:**

### 1. Secure Web Form

<http://www.openboard.info/fnhm/> Click here to access an Internet-based message interface that will deliver a message directly to the Audit Committee. Be advised that to use this system with complete anonymity, you should send this message from an unidentifiable location such as a public library terminal.

### 2. Email

- [fnhm@openboard.info](mailto:fnhm@openboard.info) to send a message directly to the Audit Committee. Be advised that sending a message from your business computer may not necessarily protect your anonymity. Use of a non-identifiable email address, like a Hotmail.com, Juno, or Yahoo account is the most confidential way of leaving a message.

### 3. Voicemail

- Call 877-286-7056 to leave a message.