

NORWOOD FINANCIAL CORP.
CODE OF CONDUCT

This Code of Conduct shall apply to all directors, officers and employees of Norwood Financial Corp. (the "Company") and its principal subsidiary, Wayne Bank (the "Bank"). The Code of Conduct has been adopted by the Company's Board of Directors and is effective as of April 30, 2004.

The Company expects directors, officers and employees, to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, and to abide by the policies and procedures adopted by the Company and the Bank to govern the conduct of their employees. This Code of Conduct is intended to supplement the Bank Human Resource Policies including the Employee Handbook.

Duties. Each director, officer and employee shall:

- Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Avoid conflicts of interest and potential conflicts of interest and disclose to the Company's Ethics Officer or to the Audit Committee any transaction or relationship that reasonably could be expected to give rise to such a conflict. The Board has appointed Robert J. Mancuso as Ethics Officer.
- Produce full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company or its subsidiaries files with the Securities and Exchange Commission, the Federal Deposit Insurance Corporation ("FDIC"), and other regulators and in other public communications made by the Company or its subsidiaries.
- Act on the Company's behalf in a manner that complies with, and take all reasonable measures to ensure the Company's compliance with, all applicable governmental laws, rules and regulations.
- Take all reasonable measures to protect the confidentiality of non-public information about the Company or its subsidiaries and their customers and consumers, to prevent the unauthorized disclosure of such information unless required by applicable law or regulation or legal or regulatory process, and to comply in full with the Bank's Privacy and the Customer Security Policies.
- Promptly report any violation of this Code of Conduct to the Audit Committee or the Ethics Officer. A director, officer or employee may choose to remain anonymous in reporting possible violations of this Code of Conduct. No adverse action will be taken against any person reporting such matters as the result of making such report.

Accountability.

The Company's directors, officers and employees are on notice that they will be held accountable for their adherence to this Code of Conduct and that their continued employment by the Company or the Bank depends on their full compliance with the policies stated in this Code. Violations of this Code of Conduct may also constitute violations of law and may result in civil and criminal penalties for the officers and/or the Company.

Internal Accounting Controls.

Directors, officers and employees are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead the Company's Independent Registered Public Accounting Firm for the purpose of rendering the financial statements of the Company misleading.

A director, officer and employee who becomes aware of inadequate controls or a failure or circumvention of controls, or that transactions, or other items, are improperly recorded on the Company's books or records, must promptly report the situation to the Company's Independent Registered Public Accounting Firm, S.R. Snodgrass P.C. or their successor or to the Audit Committee.

A director, officer and employee who is concerned about an accounting or auditing matter involving the Company that he believes is questionable may report such matter either to the Ethics Officer or by written report (which may be anonymous) to one of the non-employee members of the Company's Audit Committee at Norwood Financial Audit Committee, PO Box 43, Honesdale, PA 18431. No adverse action will be taken against any person reporting such matters as the result of making such report.

Loans to Directors and Executive Officers.

The Company will not make any loans to directors or executive officers. All Bank loans to directors or executive officers will comply strictly with the provisions of Section 22(h) of the Federal Reserve Act, Regulation O of the Federal Reserve Board, and any other applicable regulations.

Waivers.

Waivers of any provision of this Code of Conduct shall be granted only by the Company's Board of Directors. The nature of any such waiver granted for directors or executive officers and the reasons therefore shall be disclosed promptly to the Company's stockholders by filing a Current Report on Form 8-K with the SEC or by providing such disclosure on the Company's Internet website.

Amendments.

This Code of Conduct will be periodically reviewed at least annually and revised, if necessary, to reflect changes in applicable law or regulation and to cover new ethical issues as they arise. The nature of any amendment to the Code of Conduct shall be disclosed to the Company's stockholders by filing a Current Report on Form 8-K with the SEC or by providing such disclosure on the Company's Internet website.

Ethics Officer; Interpretation.

The Boards of Directors of the Company and the Bank have appointed a joint Ethics Officer (referred to herein as the "Ethics Officer"), who will be responsible for the administration of the Code of Conduct for the Company and the Bank. Any person who has questions regarding the appropriate course of action in a particular situation should promptly contact the Company's Ethics Officer.

Reviewed: March 10, 2020

**COMMITMENT OF COMPLIANCE WITH THE
NORWOOD FINANCIAL CORP.
CODE OF CONDUCT**

I acknowledge that I have received and read the Norwood Financial Corp. Code of Conduct, reviewed as of March 10, 2020, and understand my obligations as a director, officer or employee to comply with the Code of Conduct.

I understand that my agreement to comply with the Code of Conduct does not constitute a contract of employment.

Date: _____

(signature)

(Printed Name and Title)

This signed and completed form must be returned to the Human Resources Officer.