

UNION BANKSHARES CORPORATION
CODE OF BUSINESS CONDUCT AND ETHICS

A. INTRODUCTION

Union Bankshares Corporation (“Union”) and all of its subsidiaries and affiliates (individually and collectively either the “Company” or Union) have many important assets. Our most valuable asset is our established and unquestioned reputation for integrity. As professionals, we are judged by our conduct. Union has adopted this Code of Business Conduct and Ethics (“Code”) to help ensure that it retains its integrity and the trust and confidence of its customers and the general public. The Code is not intended to and does not in any way create or imply an employment contract or assurance of continued employment.

1. Applicability. The words “you” and “your” refer to all directors, officers, and employees of the Company, each of whom is responsible for reading, understanding, following, and promoting compliance with this Code. You must comply with the Code and not attempt to achieve indirectly, through the use of agents or other intermediaries, what is forbidden directly. The Audit Committee of Union’s Board of Directors periodically reviews this Code. The Audit Committee of the Board of Directors is responsible for maintaining and updating the Code, subject to approval by the Board of Directors.

2. Using This Code. The Code is a general outline of the standards by which all directors, officers, and employees of the Company, including Union’s executive officers, should conduct themselves. The Code is a part of the overall policies and procedures governing all of us at the Company, which may include other codes applicable to you as part of an individual affiliate, subsidiary, division or business unit. You should read this entire Code carefully. If you have questions (including questions about any overlap or inconsistency between this Code and any other code, policy, or procedure), you should contact either Union’s Chief Audit Executive, Director of Human Resources, or General Counsel.

We must always keep in mind how our actions affect our Company. For this reason, our business actions and ethics must reflect the highest values and standards of conduct. Ask yourself the following questions:

- Is my action legal? If legal, is it also ethical?
- Are my actions honest in every respect?
- Would I be concerned to read about my action in the newspaper or on the Internet?
- Can I defend my action with a clear conscience?
- Would it be helpful to ask for guidance before taking any action?

Depending on your answers, whatever you are considering may not be correct or appropriate. We encourage you to ask questions, seek guidance, and express any concerns you may have. If in doubt, contact Union’s Chief Audit Executive, Director of Human Resources, or General Counsel.

B. CONFLICTS OF INTEREST

You have a duty of loyalty to the Company. A conflict situation can arise if you have a personal financial or other interest that may make it difficult to perform your duties objectively and effectively. Conflicts of interest may also arise if you or a family member or another

organization in which you have an interest receives a personal benefit as a result of your position with the Company.

1. Corporate Opportunities. You may not (a) take for yourself personally opportunities that are discovered through the use of the Company's property, information or your position (whether such opportunities belong to the Company or to any of its clients or customers); (b) use the Company's property, information or position for personal gain; or (c) use the property, information or position of a client or customer of the Company for personal gain. In addition, employees may not receive a direct or indirect personal benefit from activities that compete directly with the Company.

You owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Without prior approval, employees are not permitted to participate with customers or suppliers in business ventures, or serve or act as a director, agent, broker or representative of any for-profit company or organization. Call the Chief Audit Executive about obtaining this approval.

In discharging his/her responsibilities as a director, Union requires that each director: (a) disclose to the Board any potential (actual or apparent) conflicts of interest he/ she may have with respect to any matter under discussion and, if appropriate, refrain from participating in the consideration of the matter and/or voting on such a matter; (b) not serve as a director, officer, or employee of any entity that is in direct competition with Union; and (c) not misappropriate any opportunity or asset belonging to Union (or any Union client or customer) for his/her direct or indirect benefit.

2. Gifts or Bequests. Federal law makes it a criminal offense for you (a) to solicit for yourself or for a third party (other than the Company) anything of value from anyone in return for any business, service, or confidential information about the Company, or (b) to accept anything of value (other than authorized compensation) from anyone in connection with the business of the Company, either before or after a transaction is discussed or consummated. Any gift or gratuity from present or former customers, suppliers, or stockholders should be declined to avoid any appearance of impropriety or undue influence, except for:

- ordinary business meals;
- modest holiday gifts;
- occasional tickets to athletic and cultural events;
- gifts based upon a family or close personal relationship that pre-dates your involvement with the Company;
- acceptance of loans from other banks or financial institutions on terms generally available to the public at large; or
- acceptance of discounts or rebates on merchandise or services on terms generally available to the public at large or on terms generally available to Company employees.

These permissible gifts or gratuities should only be accepted when it is clear the donor is not trying to exercise any influence over you in connection with a transaction involving the Company, and the gift or gratuity is unsolicited. General Counsel shall have the authority to approve permissible gifts or gratuities in excess of \$150, whether individually or in the aggregate, in his/her discretion, provided a determination is made that the acceptance of such gift does not violate any applicable law, the donor is not trying to exercise any influence over you in connection with a transaction involving the Company, and the gift or gratuity is unsolicited.

You may not accept a bequest or devise from a customer or former customer, supplier, or stockholder (other than someone related by blood or marriage) without prior approval of Union's General Counsel. Depending on the circumstances, you may be required to take all reasonable steps to have the will or trust instrument amended to remove yourself as a beneficiary.

3. Employment. For our full-time employees, outside employment is discouraged; the Company reserves the right to prohibit full or part-time employees from engaging in full or part-time outside employment if it may subject the Company to criticism or interfere with your employment at the Company. You must notify Union's Director of Human Resources of any outside employment that you currently have or desire to accept while employed by the Company on a full or part-time basis. After notification, the Director of Human Resources will advise you if there is a potential problem.

C. BUSINESS CONDUCT

1. Compliance with Laws, Rules, Regulations. You must conduct yourself at the Company and all of its functions or when acting on its behalf in full compliance with all applicable laws, rules, and regulations, as well as with all of the Company's other policies and procedures. Activity or behavior that is criminally or civilly actionable is deemed to be not in compliance. You shall never use illegal (e.g., theft, bribery, fraud, misrepresentation, or espionage) or unethical means or methods when acting on behalf of the Company.

2. Company Reporting. It is essential that the Company's filings with the Securities and Exchange Commission ("SEC"), banking regulators, and other regulatory agencies and authorities, as well as its other public communications, be full, fair, accurate, timely and understandable. Union has created a Disclosure Committee and adopted Disclosure Committee Guidelines to govern these filings and disclosures. Depending on your position with the Company, you may be requested to provide information to assure that Union's filings and public reports meet these standards. The Company expects you to take this responsibility very seriously and to provide prompt, accurate answers to inquiries from the Disclosure Committee relating to Union's filing and public disclosure requirements.

3. Duty to Report Questionable Accounting or Auditing Matters. Union's Audit Committee has adopted policies and procedures for reporting to the Company any questionable situation regarding our accounting, internal accounting controls, or audit matters. Contact Union's Chief Audit Executive if you have questions.

4. Questionable or Improper Payments. The use of any funds or assets of the Company for any unlawful or improper gifts, payments to customers, government employees or other third parties is strictly prohibited. It is our policy that no payment from the Company's funds or assets shall be made to or for the benefit of a representative of any domestic or foreign government (or subdivision thereof), labor union, pension fund or any current or prospective supplier for the purpose of improperly obtaining a desired action, or any sale, purchase, contract or other commercial benefit.

5. Protection and Proper Use of Company Assets. The Company's assets, such as information, records, materials, supplies, time, intellectual property, software, hardware, and facilities, among other property, are valuable resources owned, licensed, or otherwise belonging to the Company. You are expected to treat the Company's property with care and should not remove it from Company premises without a supervisor's approval. The Company's property should only be used for legitimate business purposes. Any work product of an employee is the

property of the Company if it is the result of work performed while at work or with Company property.

D. CONFIDENTIAL AND PROPRIETARY INFORMATION

You have an obligation to maintain the confidentiality of information entrusted to you by the Company, its business partners, suppliers, customers or others related to the Company's business. Confidential or proprietary information may not be disclosed to others except when disclosure is authorized by Union or legally required.

1. What Is Confidential Information? All oral and written communications relating to the Company, or its customers, suppliers, shareholders and other employees of the Company, which you acquire or create by working for or serving the Company, and which is not otherwise available to the general public, constitutes confidential information. This includes such information that may be of use to our competitors, or harmful to the Company or its customers, if disclosed. Of special sensitivity is financial information, which should always be considered confidential unless its disclosure has been approved by the Company or is required to be disclosed by law. The obligation to maintain confidentiality extends beyond a person's employment by the Company or a director's term of service.

2. What Is Proprietary Information? Certain types of information may not be confidential but may still be proprietary property of the Company. You acknowledge that all work product that you produce within the scope of your employment or service is and shall remain the sole and exclusive property of the Company. Even though information such as customer and prospect names, presentation materials, marketing materials, product information, and business methods of processes may otherwise be available to the general public, such information remains the Company's property and you shall have no personal rights to such information or products either during or after employment with or service to the Company.

3. Customer/Supplier Information. You also have an obligation to keep confidential any information acquired with respect to present, past or prospective customers, suppliers, shareholders, or other employees of the Company. Any such information shall be used solely for banking or corporate purposes and shall under no circumstances be revealed to unauthorized persons, whether within or outside of the Company.

4. Data Security. It is the policy of the Company to protect its systems and data by controlling access to such systems and data. You acknowledge that the Company's data processing systems, network, e-mail, and all data thereon are private and confidential property of the Company, and you may only access or update the systems and data according to the authority given you. Any unauthorized access, update or use of the Company's systems or data is prohibited. You acknowledge your responsibility to protect the integrity of all systems and data and you will only divulge information relating to such systems or data to those having an authorized business requirement. You will not compromise access to such systems or data by communicating your identification and/or password to any person.

E. VIOLATIONS OF THIS CODE

1. Your Duty to Report. You should report immediately any violation or suspected violation of this Code by contacting Internal Audit pursuant to the "Whistle Blower Policy." Your report will be dealt with anonymously and confidentially.

2. Investigations. The responsibility for administering the Code, investigating alleged violations, and determining corrective and disciplinary action rests with various groups within Union. Human Resources, General Counsel, Internal Audit, and other relevant departments throughout the Company may work together as appropriate to handle investigations promptly and recommend corrective and disciplinary actions. In some cases, Union’s Audit Committee or its Board of Directors may participate in an investigation and determine the action to be taken.

3. Discipline. The Company strives to impose discipline for each Code violation that fits the nature and particular facts of the violation. Violations of a serious nature may result in a suspension without pay, demotion, or reduction of compensation. Termination of employment may be appropriate for illegal conduct, multiple violations, or other violations amounting to a breach of trust. Violations of the Code are not the only basis for disciplinary action. A violation of any other Company guideline or procedure may also result in corrective or disciplinary action, including termination. **Notwithstanding the foregoing, every employee is terminable at will by the Company. Nothing in this paragraph shall be interpreted or construed in any manner so as to affect or change in any respect the terminable at will status of every employee.**

4. Protections for Persons Who Report. Our commitment to promoting the highest ethical standards includes a responsibility to foster an environment that allows you to report violations without the fear of retaliation or retribution. You will not be disciplined, lose your job, or be retaliated against in any other way for asking questions or voicing concerns about our legal or ethical obligations so long as you act in good faith. “Good faith” does not mean that you have to be correct; rather, it means you believe you are providing truthful information. Any person who retaliates against another person for reporting known or suspected violations of legal or ethical obligations will be in violation of this Code and subject to disciplinary action, up to and including termination.

F. WAIVERS AND AMENDMENTS

Any amendment to a provision of this Code or any waiver of a provision of this Code applicable to any executive officer of Union will be made only by Union’s Board of Directors and will be disclosed in accordance with SEC and NASDAQ requirements. Other amendments may be made with or without approval of Union’s Board of Directors as determined to be appropriate under the circumstances.

Whenever you have a question as to whether this Code is applicable to a particular situation, you are encouraged to confer with Union’s Director of Human Resources, Chief Audit Executive, or General Counsel.