

CORPORATE GOVERNANCE GUIDELINES

I. Introduction

The Board of Directors (the “Board”) of Hanmi Financial Corporation (the “Company”), with the assistance of its Nominating and Corporate Governance Committee (the “NCGC”), has developed and adopted a set of corporate governance guidelines (the “Guidelines”) to optimize the functioning of the Board and its committees and to set forth a common set of expectations as to governance matters related to the Company and how the Board should perform its functions. The Guidelines, as applicable, shall be followed by the Company’s subsidiaries, including Hanmi Bank (the “Bank”).

II. Board Composition

Board Size

The Bylaws of the Company currently provide for a range of the number of directors from seven (7) to fifteen (15), with the exact number to be fixed by resolution of the Board of Directors. The NCGC will periodically review the size of the Board and balance necessary experience, expertise, diversity and independence with a membership that is not too large or small to function efficiently.

Director Independence

A majority of the Board shall be independent directors as determined by the listing standards of The Nasdaq Stock Market LLC (“Nasdaq”). The NCGC will annually review information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and inform the Board of its findings. In addition, the NCGC will annually assess the Board’s overall composition regarding diversity, age, skills and experience in the context of applicable Nasdaq and Securities and Exchange Commission diversity requirements and the needs of the Board and the implementation and oversight of the Company’s Strategic Plan goals.

Director Qualifications

The NCGC is responsible for reviewing and assessing the appropriate skills, experience, and background sought of Board members in the context of our business and the then-current membership on the Board. The Board must be comprised of members possessing high personal and professional ethics, integrity and values, diversity and be committed to representing the long-term interests of the stockholders. Directors must also have an inquisitive and objective perspective, practical wisdom, mature judgment and good business sense. Directors should also collectively possess a broad range of skills, expertise, industry knowledge and contacts useful to the Company’s business. Insomuch as the Company was formed to be the parent company of the Bank, a community bank, good community relations, positive reputation and business contacts and an ability to bring business to the Bank are factors that are also considered, but not required in determining eligibility for nomination to the Board. Board members must also possess the skills and judgment to fulfill their duties to the Company and its stockholders, including: the ability to understand board reports, an understanding of applicable laws and regulations, and the ability to read and understand fundamental financial statements and related issues. Finally,

directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively.

The priorities and emphasis of the NCGC and of the Board with regard to these factors change from time to time to take into account changes in applicable requirements and in the Company's business and other trends, as well as the portfolio of skills and experience of current and prospective Board members. The NCGC and the Board review and assess the continued relevance of and emphasis on these factors as part of the Board's annual self-assessment process and in connection with candidate searches to determine if they are effective in helping to satisfy the Board's goal of creating and sustaining a Board that can appropriately support and oversee the Company's and Bank's activities effectively.

Diversity

The Board will comply with Nasdaq rules related to diversity, specifically by (1) annually disclosing aggregated statistical information about the Board's voluntary self-identified gender and racial characteristics and LGBTQ+ status in substantially the format provided by Nasdaq; and (2) either include on its website or publicly disclose why the Board does not include a certain number (as discussed below) of Nasdaq-required "Diverse" directors.

Selection of New Director Candidates

The Board shall recommend a slate of directors for election by the stockholders at its annual meeting. The Board delegates the screening process of potential new director candidates to the NCGC, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate. The NCGC shall solicit and receive recommendations, and review qualifications of, potential candidates to serve on the Board.

The NCGC shall recommend to the full Board a slate of candidates for election to the Board. Board members should possess certain core competencies, some of which may include broad experience in business, finance, accounting, marketing or administration, familiarity with national business matters, and familiarity with the Company's industry and/or market areas. In addition to having one or more of these core competencies, Board member nominees are identified and considered on the basis of knowledge, experience, integrity, diversity, independence, equity ownership, leadership, community prominence and reputation, and ability to understand the Company's business. New nominees are screened to ensure each candidate has qualifications which complement the overall core competencies of the Board.

Term and Age Limits

The Board does not believe it should establish term limits. While term limits could help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into the Company and its operations and therefore provide an increasing contribution to the Board as a whole. Nevertheless, as part of its responsibilities, prior to recommending an existing director for nomination for re-election to the Board, the NCGC will consider the existing director's attendance and performance at Board and committee meetings, stock ownership, length of service on the Board, experience, skills, contributions and independence.

All directors, regardless of tenure or age, should be physically and mentally able and continue to meet the qualifications of a director as described above.

Stock Ownership

Each director is encouraged to own shares of common stock of the Company at a level that demonstrates a meaningful commitment to the Company and the Bank, and to better align the director's interests with the Company's stockholders. A director's stock ownership will be one of the factors considered in deciding whether to nominate or appoint a director to the Board of Directors of the Bank.

All directors should acquire (and thereafter maintain ownership of) at least 5,000 shares of the Company's common stock within three years of their first day as a director. In addition to the stock ownership guidelines described above, each director who acquires shares of Company common stock through the exercise or vesting of a stock option, stock appreciation right or restricted stock will be required to retain 50% of the "net" shares acquired (net of tax impact that the exercise or vesting has on the individual) for at least 12 months following the date of exercise or vesting, or such earlier time if the individual ceases to be a member of the Board as a result of death, disability, illness, resignation, termination or other reason.

Directors and employees at the level of Senior Vice President and above are not allowed to enter into pledging transactions, including the use of margin accounts with Company common stock held individually or in a trust controlled by such individual.

Other Commitments and Certain Interlocking Relationships

The Board believes that directors must have sufficient time to carry out their duties and responsibilities effectively. Accordingly, all directors shall comply with the requirements of the Depository Institutions Management Interlocks Act (the "Act"). A Management Official of a depository organization may not serve at the same time as a Management Official of an unaffiliated depository organization if they, or their affiliates, have offices in the same community. Additionally, a Management Official may not serve at the same time as a Management Official of two unaffiliated depository organization with total assets exceeding \$10 billion, regardless of the location of the two depository organizations.

Directors of the Company and the Bank are not permitted from serving on the boards of directors of other financial services companies without getting prior approval from the Board. An exception to this policy may be granted by the Board only after it determines that there is a compelling basis for permitting such an interlocking relationship that outweighs the potential risks of divided loyalty, conflicts of interest and confidentiality. Accordingly, any director proposing to join a board of directors that may result in an interlocking relationship must submit to the NCGC a written request in support of his or her basis for an exception to this policy. Additionally, directors of the Company must also obtain the approval of the Audit Committee of the Company's Board of Directors before accepting any for-profit board positions.

Change of Job Responsibility

A director who retires, resigns or is terminated from the primary position that such director held when elected to the Board shall tender his or her resignation as a director to the NCGC, effective upon the Board's acceptance of the resignation. The NCGC will review the desirability of the director's continued service on the Board under the circumstances and will make a recommendation to the Board as to whether or not the Board should accept the resignation.

III. Responsibilities of the Board of Directors

Primary Responsibilities

The business and affairs of the Company and the Bank shall be managed by or under the direction of the Board in accordance with Delaware and California law, respectively, as well as applicable federal rules and regulations. In performing their duties, the primary responsibility of the directors of the Company is to exercise their business judgment in the best interests of the Company and its stockholders. The Board's detailed responsibilities include:

- Selecting and regularly evaluating the performance of the Chief Executive Officer;
- Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other senior executives;
- Reviewing and, where appropriate, approving the Company's major financial objectives, strategic and operating plans and actions;
- Overseeing the conduct of the Company's business, reviewing the Company's financial condition and results of operation and assessing the Company's enterprise risk management process and results to evaluate the risk profile and make appropriate adjustments; and
- Overseeing the processes for maintaining the integrity of the Company's financial statements, internal controls and other public disclosures, and compliance with law and regulations.

The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Company, the authority and responsibility for managing the business of the Company in a manner consistent with the standards and practices of the Company, and in accordance with the approved strategic plan, instructions or directions of the Board. The Chief Executive Officer and management are responsible for seeking the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Company.

Code of Conduct

Members of the Board of Directors shall act at all times in accordance with the requirements of the Company's Code of Business Conduct and Ethics, which shall be applicable to each director in connection with his or her activities relating to the Company. This obligation shall at all times include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Even the appearance of a potential conflict of interest should be avoided whenever possible.

Indemnification

Each director shall be entitled to indemnification with respect to such director's service on the Board and any committee of the Board pursuant to reasonable director and officer liability insurance purchased by the Company on his or her behalf, the Company's Certificate of

Incorporation and Bylaws and any contractual arrangements between such director and the Company providing for director indemnification.

Corporate Sustainability Matters

The Corporate Sustainability Sub-Committee of the NCGC supports the Company's ongoing commitment to sustainable and responsible environmental practices, health and safety, corporate social responsibility, strong corporate governance, and other public policy matters relevant to the Company.

IV. Meetings of the Board

Directors are expected to attend all annual stockholders meetings, Board meetings and meetings of committees on which they serve, and to spend the time needed to properly discharge their responsibilities. Each Director pledges to attend at least 75% of the total board and committee meetings to which he or she is assigned.

At the beginning of the year, the Chairman of the Board and each committee chair will establish a schedule of subjects to be discussed during the year (to the degree this can be foreseen). Each Board member shall be free to suggest the inclusion of items on the schedule.

The Chairman of the Board, in consultation with the Chief Executive Officer, will also establish the agenda for each Board meeting. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors, in a timely manner, before the meeting, and directors should review these materials in advance of the meeting. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year. In addition, the Board, or an appointed committee thereof, shall review the Company's progress towards achievement of its strategic goals on a periodic basis, no less than twice a year. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

The Company's independent directors will meet regularly in executive session without the presence of management at least two times per year and more frequently as necessary. The director who presides at these meetings will be the Chairman of the Board, as long as he or she is an independent director, and if not independent, an individual director shall otherwise be chosen by the independent directors to preside over the executive session.

V. Committees of the Board

Numbers and Composition of Committees

The Company will have at all times standing Audit; NCGC; Compensation and Human Resources ("CHRC"); and Risk, Compliance and Planning ("RCPC") Committees. The responsibilities of each committee and any membership requirements are contained in the Company's Bylaws and a charter approved by the Board. Neither employees of the Company nor non-independent directors may serve on any of the standing committees other than the RCPC. The NCGC reviews the committee structure of the Board and the membership of the various committees at least annually and makes recommendations for any changes to the Board. Each committee will

undertake an annual review of its charter, and will work with the NCGC and the Board to make such revisions as are considered appropriate.

Each committee has the authority and funding to engage outside experts, advisers and counsel to the extent it considers appropriate to assist the committee in its work. Each committee will regularly report to the Board concerning the committee's activities.

The Audit Committee is responsible for the hiring, oversight and compensation of the independent registered public accounting firm that audit the Company's financial statements and confirming their independence, and for monitoring the effectiveness of the Company's internal financial and accounting organization and controls and financial reporting.

The NCGC reviews and reports to the Board on matters of corporate governance (including, the relationships of the Board, the stockholders and management in determining the direction and performance of the Company) and reviews and addresses these Guidelines and recommends revisions as appropriate. The NCGC reviews all proposals submitted by stockholders for action at the Annual Stockholders' Meeting, and recommends action by the Board with regard to each such proposals. The NCGC makes recommendations to the Board regarding the size and composition of the Board, establishes procedures for the nomination process, and recommends candidates for election to the Board.

The CHRC reviews and determines salaries and other matters relating to compensation of the Chief Executive Officer and other executives of the Company, and administers the Company's equity incentive plans (including reviewing, recommending, and approving equity grants to Named Executive Officers, upon the recommendation of the CEO).

The RCPC has the duty and responsibility to work in concert with senior management to develop the Company's long-term strategic plan in accordance with management's general philosophy and vision of the Company. The RCPC reviews and recommends short-term business plans with specific measurable targets to achieve the term goals. In addition, the RCPC is tasked with establishing the planning, review and approval process for major new activities that management proposes to undertake. The RCPC also monitors the planning activities and the Company's performance against its plans and budget.

Committee Chairpersons and Membership

The Board, upon recommendation of the NCGC, shall designate a chair and a vice chair of each committee. When appointing the chair of each committee, the Board shall consider the knowledge and expertise of the candidate in the committee's main area of responsibility, leadership abilities, independence from management and areas of expertise.

Board Committee assignments and Board committee chair positions are reviewed each year by the NCGC and approved by the Board. The Board does not have a committee rotation policy, but may, upon recommendation of the NCGC, change committee assignments and chair positions periodically, with a view towards balancing director experience and interest, committee continuity and needs, and evolving legal and regulatory considerations.

The members of the Audit Committee, CHRC and NCGC shall be independent in accordance with the provisions of the Nasdaq listing standards and regulatory requirements and any other standards established by the Board from time to time. If any conditions exist that may raise

questions as to a director's independence, the disinterested members of the NCGC shall determine if a director's independence is jeopardized and shall recommend a course of action.

Committee Meeting Procedures

Each committee chair, in consultation with the committee members, determines the frequency of committee meetings. Directors are expected to attend meetings of the committees on which they sit and to spend the time needed to discharge their responsibilities as members of those committees. The agenda and any background materials for committee meetings may be developed in consultation with committee members, management, or the executive officer responsible for supporting the Committee and are circulated in advance of a meeting whenever practical. Committee members are expected to review these materials in advance of the meeting. The committee chair reports to the Board after each meeting, and minutes of the Committees are circulated to the Board.

Chairman of the Bank Board

The Board of Directors of the Bank, upon the recommendation of the NCGC, shall designate a Chairman of the Bank Board. The Chairman of the Bank Board shall set the meeting agendas and shall preside over each Bank Board meeting. If the chairman is not present at a meeting of the Bank Board, the Chief Executive Officer of the Bank shall preside. In appointing the position of chairman, the Bank Board shall consider the knowledge and expertise of the candidate in the business of the Bank and complementary business experience, leadership abilities, independence from management and areas of expertise.

VI. Director Access to Officers, Employees and Independent Advisors

Directors shall have full and unfettered access to officers and employees of the Company and the Bank. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and the Bank and will, to the extent appropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company and the Bank.

The Board may invite members of senior management or other key personnel of the Company and the Bank to Board and committee meetings to make presentations and provide additional insight on items being discussed.

The Board, its committees and the non-employee directors shall have the right at any time to retain independent outside financial, legal or other advisors as they may deem necessary, without the necessity of consulting or obtaining the approval of any officer of the Company in advance.

VII. Communications to the Board, Independent Directors or the Audit Committee

The Company's stockholders and interested parties may send communications to the Board at Hanmi Financial Corporation, 900 Wilshire Blvd., Suite 1250, Los Angeles, California 90017, Attention: Legal Department. All communications by a stockholder must state the number of shares owned by such stockholder making the communication.

Any interested party wishing to communicate directly with the Company's independent directors regarding any matter may send such communication in writing to the Company's independent

directors at Hanmi Financial Corporation, 900 Wilshire Blvd., Suite 1250, Los Angeles, California 90017, Attention: Chairman of the Board.

Any interested party wishing to communicate directly with the Audit Committee regarding any matter, including any accounting, internal accounting or auditing matter, may submit such communication in writing to Hanmi Financial Corporation, 900 Wilshire Blvd., Suite 1250, Los Angeles, California 90017, Attention: Chairman of the Audit Committee. Any submissions to the Chairman of the Board or Audit Committee may be anonymous and/or confidential.

The status of all outstanding concerns addressed to the Board, the independent directors or the Audit Committee will be reported to the Chairman of the Board and the Chairman of Audit Committee, respectively. The Chairman of the Board or the Chair of the Audit Committee may direct that certain matters be presented to the full Board and may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The Company is prohibited from retaliating or taking any adverse action against anyone for raising or helping to resolve an issue raised.

The legal department will exercise its discretion in reporting communications which are deemed inconsequential, threatening, abusive or otherwise inappropriate.

VIII. Chief Executive Officer Evaluation and Management Succession

The Chief Executive Officer of the Company shall report directly to the full Board. The CHRC shall conduct an annual review of the Chief Executive Officer's performance, using the evaluation guidelines set forth in the CHRC charter as may be supplemented from time to time. The Board shall review the CHRC's evaluation report in order to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long- and short-term.

The Board will periodically review with the CHRC and the Chief Executive Officer a succession plan for the Chief Executive Officer and other senior executives of the Company, including (a) profiles of ideal candidates for senior executives in accordance with the Company's business strategy and leadership needs and (b) plans for interim management of the Company in the event that the Chief Executive Officer or any other senior executive retires, becomes disabled or is otherwise unable to fulfill his or her duties. The Board will consider the recommendations and evaluations of potential successors from the Chief Executive Officer and the CHRC, along with a review of any development plans recommended for such individuals.

In the event of the death, resignation, retirement or incapacity of the Chief Executive Officer, the Board shall trigger the emergency planning protocol included in the management succession plan and then turn its attention to a permanent replacement.

IX. Compensation of Directors

The CHRC shall evaluate annually the appropriate level of compensation for Board and committee service by non-employee directors and, based upon such evaluation, recommend to the Board the level of compensation that the CHRC deems appropriate. The Company may utilize an outside consultant, if appropriate, to report to the CHRC regarding how the Company's director compensation practices compare with those of other public and peer group corporations. Any

change in Board compensation shall be made upon the recommendation of the CHRC, and following discussion and approval by the full Board.

In evaluating compensation, the CHRC will be guided by three goals:

- Compensation should fairly pay directors for work required by a company of comparable size and industry;
- Compensation should align directors' interests with the long-term interests of stockholders; and
- The structure of the compensation should be simple, transparent and easy for stockholders to understand.

Directors may receive, in addition to or as part of their compensation Company equity, including but not limited to, stock options, restricted stock, and stock appreciation rights.

X. Annual Performance Evaluation

The Board will conduct an annual evaluation to determine whether the Board and its committees are functioning effectively. The NCGC will oversee the evaluation method and criteria for the Board's annual evaluation of the composition, competence and performance of the Board and its committees. The NCGC may retain consultants or advisors to assess the performance and effectiveness of the Board as a whole, and its committees.

The results of any self-evaluations, peer evaluations, or evaluations by any consultant or advisor shall be submitted to the Board. The Board shall then take appropriate action based on the Board's findings regarding the assessment and performance evaluation. The Board and director evaluation process should consider the best interests of the Company and the Bank, its Board, its employees, its customers and the stockholders of the Company. The assessment will also include director succession planning and expected future needs of the Board and the Company, so as to ensure that Board effectiveness is not diminished during periods of transition.

XI. Director Orientation and Continuing Education

All directors are expected to be knowledgeable about the Company and the Bank and the industry and markets in which they operate. This knowledge is gained from attendance at Board meetings, periodic director training sessions, regular meetings with management of the Company and the Bank, reading of appropriate industry, corporate governance and director literature (including the Company and the Bank's policies and procedures, Corporate Governance Guidelines and the Code of Business Conduct and Ethics), and attendance at educational seminars.

Each director is responsible for keeping up to date on industry trends and changing rules and regulations so as to properly fulfill their duties and responsibilities as director of the Company and the Bank. Therefore, each director is required to complete a minimum of 16 hours of continuing education annually. The requirement may be met through attendance at director training seminars, industry conferences, regulatory agency sponsored workshops, webinars, telephone briefings, and in-house training by management. A portion of the required training should be focused on education programs that specifically address matters related to the business of the committees on which they sit.

Expenses for the required director continuing education courses will be covered by the Company/Bank, with prior approval from the Chairman of the Board. The Board is encouraged to take advantage of free or low cost local trainings when available.

XII. Recommendations of Directors

All applications or recommendations for Board membership received by the Company will be referred to the NCGC for consideration. The NCGC will also consider recommendations by stockholders for directors to be nominated, *provided* that any such recommendation complies with the Company's Bylaws and other policies of the Company and any applicable requirements.

XIII. Board and Committee Minutes and Confidentiality Policy

Board and Committee Minutes

The Board shall ensure that the minutes of Board and committee meetings document all meaningful discussions and decisions on Company and committee matters, such as management and financial reports, and identification and mitigation of risk. All Board and committee minutes, while not a transcript of the meeting, shall be both accurate and complete, and should provide an appropriate level of detail so as to give insight into the Company's activities. Board and committee minutes shall record, at a minimum, a summary of the following information:

- A summary of presentations on matters before the Board or committee for its consideration;
- Where the vote is not unanimous, the vote count for and against items that have come before the Board or committee, as well as any dissent expressed by Board or committee members relative to a decision or recommendation; and
- The attendance and participation of individual Board, committee members, and guests, including those who joined or left at meeting at various times.

The Chairman of the Board and the Chair of each committee shall be responsible for assigning a competent person, usually the Board or committee secretary, to record minutes. The person who performs this function should understand the Board and committee's responsibilities. Minutes should be prepared timely, promptly circulated for review and approved at the next Board or committee meeting, to the extent practicable. Relevant documents, such as reports or resolutions, should be attached to the minutes of the meeting.

Confidentiality Policy

It is the policy of the Company and the Bank to comply with all federal and state laws pertaining to the privacy and confidentiality of customer information. Each director of the Bank shall abide by the confidentiality policy of the Company and the Bank. This confidentiality policy shall apply to all confidential Company/Bank information however obtained, including but not limited to discussions at Board meetings. In addition, each director of the Company and the Bank shall have executed a Confidentiality Agreement.

1. General Policy. Nonpublic information concerning the Company/Bank, its suppliers, customers, depositors and employees is considered confidential and is to be used for

Company/Bank purposes only. Confidential information about customers cannot be used to further personal, familial or other interests or the interests of another customer. Information regarding any business conducted cannot be disclosed to outside individuals (unless properly authorized by the Company, the Bank, its customer, etc.) and may not be used for personal gain.

2. Safeguarding Confidential Information. Safeguarding the confidential information concerning the Company/Bank's customers is essential in maintaining the public's trust and is required by law. Information shall not be disclosed to persons outside the Company/Bank, including family or associates, or to Company/Bank employees who do not have a business reason for knowing the information. Exceptions are routine credit inquiries, legally required disclosures and authorized release of information by the customer.

3. Public Disclosure. Financial or other information regarding the Company and the Bank is not to be publicly released to any outside person or organization unless it has been published in reports to stockholders or otherwise made public. All news media inquiries must be referred to the Chief Executive Officer or the Chief Financial Officer of the Company and the Bank.

4. Material Inside Information. As described in the Company's Code of Business Conduct and Ethics and its Insider Trading Policy, the unauthorized use or disclosure of "material inside information" subjects a director, the Company, the Bank, and third parties to whom the information is communicated to penalties under federal and state securities laws. If a director possesses such material inside information, the director must not disclose such information and must not trade in or recommend the purchase or sale of the securities involved until after the information is actually disseminated to the public.

5. Board Communication with the Public or Media. The Board has delegated authority to the Chief Executive Officer and Chief Financial Officer to speak for the Company and the Bank. All inquiries and interaction with members of the media, press, stock analysts, significant stockholders or other outside parties should be referred to the Chief Executive Officer and Chief Financial Officer. The Chief Executive Officer and the Chief Financial Officer may, from time to time, delegate their authority to competent staff to respond to inquiries from the investment community, the public or media.

Individual directors may, from time to time, be called to meet or otherwise communicate with various constituents involved with the Company/Bank. However, it is expected that the directors will do this (i) only with the knowledge of management, (ii) in compliance with Company and Bank policy, applicable legal and disclosure requirements, and (iii) absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

6. Enforcement. As provided in the Company's Code of Business Conduct and Ethics ("Code"), any complaints or observations of violations of the Code, including but not limited to breaches of the confidentiality policy or other misconduct, must be promptly reported. The Company's General Counsel or the Audit Committee, as applicable, will promptly investigate all reported potential Code violations. Whether a director is identified or remains anonymous, the reporting of Code violations will be kept strictly confidential to the extent legally and reasonably possible within the objectives of this Code. A director's cooperation in the investigation will be expected.

If the investigation indicates that a violation of the Code has probably occurred, the Audit Committee of the Board will take such action as it believes to be appropriate under the circumstances. If the Audit Committee of the Board determines that a director is responsible for

a Code violation, he or she will be subject to disciplinary action up to and including termination of service and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action also may be taken to deter any future Code violations. All disclosures or reports received by the Audit Committee or the Company's General Counsel regarding a potential conflict of interest or Code violations involving a director will be disclosed to and reviewed by the Audit Committee and reported to the BSA Department for disposition as to whether a Suspicious Activity Report (SAR) should be filed.

XIV. Review of and Changes to the Corporate Governance Guidelines

The NCGC shall be responsible for reviewing these Corporate Governance Guidelines not less than every two years and recommending any proposed changes to the full Board for approval.