

HANMI FINANCIAL CORPORATION
AUDIT COMMITTEE CHARTER

I. PURPOSE

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the internal audit process, the oversight of the independence and performance of the internal auditor and the process for monitoring compliance with laws and regulations and the code of conduct.

II. AUTHORITY

The Audit Committee (the “Committee”) has the authority to conduct or authorize audits, assessments, consulting engagements, or investigations, into any matters within its scope of responsibility and unrestricted access to management, employees and documents of Hanmi Financial Corporation (the “Company”) and Hanmi Bank (the “Bank”).

It is empowered to:

- Appoint, compensate, retain and oversee the work of any registered public accounting firm, employed by the Bank as its independent auditor. The independent auditor will report directly to the Committee relative to auditing financial statements, or performing other audit, review, and attest activities.
- Engage independent counsel and other advisers, as it determines necessary to carry out its duties.¹
- Resolve any disagreements between management and the independent auditor regarding financial reporting.
- Pre-approve all audit and non-audit services.
- Delegate authority to committee members and/or to form subcommittees regarding specific matters as appropriate.

¹ The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any advisors employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties

III. COMPOSITION

- The audit committee will consist of at least three members of the board of directors. The board or its nominating and corporate governance committee will appoint audit committee members, the audit committee chair, and a vice chair (to preside in the absence of the chair).
- Each committee member will be both independent² and be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.
- At least one member shall qualify and be designated as the "audit committee financial expert," as defined by applicable regulation.

IV. MEETINGS

- The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require.
- All Committee members are expected to attend each meeting, in person or via teleconference.
- The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. Members of management will not attend portions of the meeting where their presence is not required.
- The Committee will hold private meetings with auditors (internal and independent) in executive sessions.
- Meeting agendas will be prepared and appropriate briefing materials provided in advance to members. Minutes will be prepared.
- The Committee shall report its activities regularly and directly to the Board and shall make recommendations that the Committee deems advisable

² Independence requirements of the Securities and Exchange Commission (the "SEC"), the Federal Deposit Insurance Corporation ("FDIC"), the Nasdaq Stock Market Rule 5605(a)(2), Inc. ("Nasdaq") and any other applicable governmental or regulatory authorities.

V. RESPONSIBILITIES

The audit committee will carry out the following responsibilities:

Charter

- Review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Financial Statements - prior to filing Form 10-Q, Form 10-K, and making public disclosures:

- Review significant accounting and reporting issues, including complex or unusual transactions, critical accounting estimates, and recent professional and regulatory pronouncements to understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, any material weaknesses and significant deficiencies, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and have been prepared in accordance with generally accepted accounting principles.
- Review other sections of the annual report and related regulatory filings related to the audited financial statements before release, and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards, and the Public Company Accounting Standards Board pronouncements.
- Understand how management develops interim financial information, and the nature and extent of independent auditor review of such information.
- Review interim financial reports with management and the external auditors before filing and consider whether they are complete and consistent with the information known to committee members.

Disclosures

- Review any disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Earnings Release

- The Committee shall review and discuss with management, SEC counsel, and the financial auditors, the earnings press releases as well as supplemental financial information and earnings guidance, if any, to be provided to the public.

Internal Control

- Consult with management, the independent auditor, and Chief Audit Executive (“CAE”), to consider the effectiveness of the Company’s (a) internal control systems, including information technology security and control, (b) the management risk assessment evaluation process including its ongoing monitoring and periodic reporting, (c) audit department procedures, (d) disclosure controls and processes, and management reports thereon.
- Understand the scope of internal and independent auditors’ review of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management’s responses.

Internal Audit

The Bank’s Internal Audit Department shall perform internal audit functions and report directly to the Committee. The Committee shall also have the following responsibilities related to the internal audit function:

- Review and approve the internal audit charter annually.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the CAE.
- Approve the annual internal audit plan, based on an annual risk assessment, and all major changes to the plan.
- Review the internal audit activity’s performance and progress, relative to its plan, including summaries of significant operational audits, and information deemed significant, in the judgment of the CAE.
- Review with the CAE the budget, resource plan, activities, and organizational structure of the internal audit function.
- Review and approve the appointment, replacement, performance, and fees of any

vendor retained to perform operational audits.³

- At least once per year, review the performance and compensation of the CAE.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.
- On a regular basis meet separately with the CAE to discuss any matters that the Committee or internal audit believes should be discussed privately.

VI. Independent Auditors

Qualifications and Independence

- Directly responsible for the appointment, compensation, retention and oversight of the independent auditor (including resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such independent auditor must report directly to the Committee.
- Review the annual retention of the independent auditor, the audit engagement letters, the scope of audit services, estimated fees, timing of auditor visits, coordination with the Company's Audit Department, monitoring of audit results and review of the independent auditor's performance and services. The Committee shall have the sole authority to appoint or replace the independent auditor, as the Committee deems necessary or appropriate.
- Pre-approve all audit services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor (whether pursuant to policies or otherwise), subject to the de minimis exceptions for non-audit services described in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to policies adopted by the Company (See separate Audit Committee Pre Approval Policy).
- Prohibit the Company to engage, the independent auditor to provide any non-audit services prohibited under Section 10A of the Exchange Act (Section 10A of the Exchange Act currently prohibits (a) bookkeeping or other services related to the accounting records or financial statements of the audit client, (b) financial information systems design and

³ Authorizes the Audit Chair to approve internal audit expenses up to \$50,000, authorizes the CAE to sign engagement letters, on behalf of the Audit Chair, upon receipt of written approval via email, and authorizes the CAE discretionary approval, up to \$20,000, to engage or extend engagements, reporting at the next regularly scheduled Audit Committee meeting.

implementation, (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (d) actuarial services, (e) internal audit outsourcing services, (f) management functions or human resources, (g) broker or dealer, investment adviser, or investment banking services, (h) legal services and expert services unrelated to the audit, and (i) any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

- Evaluate annually the qualifications, performance and independence of the independent auditor. The Committee shall (a) receive written disclosures and a written statement from the independent auditor delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard 1, (b) discuss with the independent auditor any disclosed relationships or services that might impact the auditor's objectivity and independence and (c) take, or recommend that the Board take, appropriate action, if warranted, to maintain the independence of the outside auditor.
- Ensure that the independent auditor's lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit are rotated as required by law.
- The Committee shall ensure that the Company maintains written hiring policies for current and former employees of the independent auditor in accordance with applicable law and regulatory requirements.
- Review the independent auditors' proposed audit scope and approach, including coordination of audit with internal audit.
- On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

VII. Independent Auditor's Audit

- Annually review and discuss with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 114, as amended: (a) its audit plans and audit procedures, including the scope, fees and timing of the audit; (b) the results of the annual audit examination and accompanying management letters; and (c) the results of the independent auditor's procedures with respect to interim periods.
- Review and discuss reports from the independent auditor on (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as

any management letter or schedule of unadjusted differences.

- Review the Company's audited financial statements and recommend to the board that the audited statements be included in the Company's Annual Report.
- Inquire into any accounting adjustments that were noted or proposed by the independent auditor but were not recorded in the financial statements.

VIII. Compliance with Laws and Regulations

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations, management's response, and monitor corrective action on major deficiencies noted.
- Review the process for communicating the code of conduct to Company and Bank personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and Company legal counsel, at least annually, regarding compliance matters that could have a significant impact on the Company's financial statements, compliance with laws and regulations, and any inquiries received from regulators or governmental agencies.
- Review all "related party transactions" for potential conflicts of interest situations on an ongoing basis and have the authority to approve any such transactions. For purposes hereof, "related party transactions" shall mean any transaction required to be disclosed by the Company pursuant to Item 404 of SEC Regulation S-K.
- Evaluate the Committee's performance on a regular basis, at least annually.
- Oversee the provisions of, and any violations of the provisions of Section XII of the Company's Code of Business Conduct and Ethics.
- Maintain procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Such procedures shall include the Committee's responsibilities in response to any such complaints or submissions as set forth in the Company's Code of Business Conduct and Ethics.

- Undertake such additional activities within the scope of its primary function as the Board or the Committee may from time to time determine or as may otherwise be required by law, the Board or the Company's by-laws or certificate of incorporation.

IX. Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Review any other reports the Company issues that relate to committee responsibilities.

X. Other Responsibilities

- Perform other activities related to this charter as requested by the board of directors.