

**Opus Bank**  
**Corporate Governance Guidelines**

**Board Approval Date: June 21, 2018**

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Good governance, ethical conduct, accountability and transparency are essential to the success of a public company. The Board of Directors (the “Board”) of Opus Bank, its divisions and subsidiaries (collectively, the “Company”) has adopted these guidelines to promote these goals and the proper functioning of the Board and its committees.

## **Role of the Board, Director Qualifications and Board Composition**

1. *Role of the Board.* The business and affairs of the Company are managed by or under the direction of its Board in accordance with California law. It is the fiduciary duty of the directors serving on the Board to exercise their business judgment in good faith and to act in what they reasonably believe to be the best interests of the Company and its shareholders.

2. *Independence and Qualifications.* The Board shall have a majority of directors who meet the criteria for “independence” required by The NASDAQ Stock Market (the “Nasdaq”) rules or any other national securities exchange on which the Company’s securities are traded from time to time. In addition, at least three directors shall satisfy the additional independence requirements for audit committee members under Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (“Exchange Act”), the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder, as applicable to the Company through the adoption of such rules and regulations by the Federal Deposit Insurance Corporation (“FDIC”), and the rules of the Nasdaq or of any other national securities exchange on which the Company’s securities are traded from time to time.

The Nominating and Corporate Governance Committee is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition of the Board as a whole. This assessment shall include consideration of a member’s qualification as being independent, as well as diversity, gender diversity, age, skills, and experience in the context of the needs of the Board. Nominees for directorship will be recommended to the Board by the Nominating and Corporate Governance Committee in accordance with the policies and principles in the Nominating and Corporate Governance Committee’s charter. An invitation to join the Board shall be extended by the Chairman of the Board or by the Chairman of the Nominating and Corporate Governance Committee.

3. *Size and Composition of the Board.* The size and composition of our Board will be determined from time to time by the Board, as set forth in, and in accordance with, the Company’s Articles of Incorporation, as amended (“Articles of Incorporation”) and the Amended and Restated Bylaws (“Bylaws”).

4. *Change of Status.* The Board believes that whenever any director retires from engaging in his or her occupation, or materially changes his or her principal occupation, position or responsibility that he or she held when elected to the Board, it is appropriate for such Board member to promptly notify the Board under such circumstances.

5. *Other Directorships.* Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on a public company board. From time-to-time, members of the Board are invited to serve on the board of directors of other public companies. To ensure that members of the Board have the time and resources to commit to the Company's Board, directors are encouraged to evaluate carefully the time required to serve on other boards of directors of other public companies, taking into account the effect their service on such other boards of directors on their attendance, preparation, participation and effectiveness on the Company's Board. Their service on other boards of directors of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all duties as a director of the Company. Company directors must also comply with the restrictions set forth in the Depository Institution Management Interlocks Act.

6. *Term Limits.* The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of Opus Bank based on their experience with and understanding of the Company's history, policies, and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the director evaluation and nomination process.

7. *Retirement Policy.* Pursuant to the Board's retirement policy (the "Retirement Policy"), a director will voluntarily resign upon reaching the age of 72. The Retirement Policy provides the Board with the discretion to waive the retirement requirement for one year periods for directors 72 or older up to the age of 81, which is the mandatory retirement age under the Retirement Policy. For directors 72 or older, the Board will consider on an annual basis whether to continue to waive the retirement requirement for additional one-year periods. In the event the Board does not waive the retirement requirement, or the director reaches the age of 81, the director will voluntarily retire.

8. *Board Leadership.* The Board selects the Company's Chairman of the Board ("Chairman") in the manner that it determines to be in the best interests of the Company's shareholders. The Board endorses the view that one of its primary functions is to protect shareholders' interests by providing independent oversight of management, including the Chief Executive Officer. Currently, eight of the Board's nine directors have been determined by the Board to be independent under the listing standards of the Nasdaq. All directors, including the Chairman, are bound by fiduciary obligations imposed by law, to serve the best interests of the shareholders.

## **Director Responsibilities**

1. *Business Judgment; Indemnification.* The basic responsibility of the directors is to exercise their business judgment in good faith to act in what they reasonably believe to be the best interests of the Company and its shareholders. In discharging that obligation, directors shall be entitled to rely on the honesty and integrity of their fellow directors and of the Company's senior executives, outside advisors and outside auditors. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, with the benefits of such indemnification to be to the fullest extent permitted by law and the Articles of Incorporation and any indemnification agreements with the Company.

2. *Board and Shareholders Meetings.* The Board will hold regularly scheduled meetings at least eight times per calendar year. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. A director may attend and participate in Board meetings and meetings of committees by any means of communication through which the director, other directors so participating, and all directors physically present at the meeting may simultaneously hear each other during the meeting. Directors are encouraged to attend annual and special meetings of the Company's shareholders.

3. *Matters to be Considered.* The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda and to raise at any Board meeting subjects that are not on the agenda for that meeting.

4. *Executive Sessions of Independent Directors.* The independent members of the Board shall meet, without management, at regularly scheduled executive sessions which may take place after a regularly scheduled meeting of the full Board. Such executive sessions shall be held at least twice a year. The executive sessions will be presided over by the Chairman.

5. *Communications.* The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members will do this only with the knowledge of the management and, absent unusual circumstances, only at the request of management.

6. *Shareholder Communication With the Board.* Shareholders may communicate with the Board or individual directors by submitting written correspondence to the Secretary at the Company's headquarters. The Secretary may facilitate or direct such communications with the Board or individual directors by reviewing, sorting, and summarizing such communications. All such communications will be referred to the Board or individual directors for consideration unless the Board instructs the Secretary otherwise.

7. *Director Share Ownership Requirement.* Pursuant to the terms of the Company's Share Ownership Policy (the "Policy"), each non-employee director is expected to acquire, and continue to hold during his or her term on the Board, ownership of the Company's common stock having a market value equal to not less than three times his or her annual cash retainer.<sup>1</sup> Directors subject to the Policy

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<sup>1</sup> In connection with the recapitalization of the Company in September 2010 (the "Recapitalization"), a significant percentage of the Company's capital stock was purchased by entities affiliated with Elliott Management Corporation, Fortress Investment Group LLC, and Starwood Capital Group (collectively the "Significant Investors"). Pursuant to the terms of the stock subscription agreements the Company entered into with the Significant Investors in connection with the Recapitalization, each Significant Investor received a contractual right to nominate a representative to the Company's Board, provided that the nominee is reasonably acceptable to the Company and meets all reasonable, generally applicable qualifications required by the Company's written policies

will have five years from the later of the date of his or her election to the Board or the adoption of the Policy to attain such level of ownership.

8. *Other Responsibilities.* Directors are expected to maintain the confidentiality of the proceedings and deliberations of the Board and its committees. Directors are expected to remain sufficiently familiar with the business of the Company to facilitate active and effective participation in the deliberations of the Board and committees on which they sit. Any director who determines that he or she may have a potential conflict of interest shall promptly notify the Board of that fact. Any director who is involved in a situation that is reasonably likely to be detrimental to the Company's reputation shall communicate the circumstances to the Board for its consideration and deliberation and shall offer to resign.

## **Board Committees**

1. *Committees and Members.* The Board will have at all times an Audit Committee, a Risk Oversight Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. All of the members of these committees will be independent directors under the criteria established by the Nasdaq rules or the rules of any other national securities exchange on which the Company's securities are traded from time to time.

In general, committee members will be appointed by the Board with consideration of the desires, preferences and expertise of individual directors. Due consideration will be given to rotating committee members periodically, but rotation will not be mandated as a policy and the emphasis will instead be placed on expertise, past performance and director preference.

2. *Additional Committees.* The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

3. *Committee Charters.* Each committee will have its own charter. The charters will set forth the purposes, goals, responsibilities and authority (consistent with the Bylaws or resolutions of the Board) of the committees, as well as certain specific qualifications for committee membership and procedures for committee member appointment; in addition, the charters will address committee reporting to the Board. The charters will also provide that each committee will annually evaluate its own performance and report the results of this evaluation to the Board.

4. *Committee Meetings.* The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

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and committee charters. The director common stock ownership requirement will not apply to the directors appointed by the Significant Investors who do not receive an annual cash retainer and are each deemed to have a meaningful interest as a result of their firm's investment.

5. *Independent Advisors.* The Board shall have the power to hire at the expense of the Company, independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

6. *Dual Committees.* When deemed necessary or appropriate, a Board committee may perform the same services within the scope of its authority for any of the Company's subsidiaries that do not then have such a committee of its own. Committees acting in such dual capacities may meet simultaneously as committees of the Company and of the relevant subsidiary, though they should hold separate sessions if necessary to address issues that are relevant to one entity but not the other or to consider transactions or other matters where the Company and the relevant subsidiary may have different interests. In addition, any such committee should consult with internal or outside counsel if, in the opinion of the committee, any matter under consideration by the committee has the potential for any conflict between the interests of the Company and those of the subsidiary in order to ensure that appropriate procedures are established for addressing any such potential conflict and for ensuring compliance with the Company's policies regarding Sections 23A and 23B of the Federal Reserve Act.

### **Director Access to Officers and Employees**

1. *Full Access.* Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and does not inappropriately disclose any confidential or sensitive information in the possession of the director and will copy, to the extent not inappropriate, the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

2. *Non-Director Attendance at Board Meetings.* The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of the Company as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives.

### **Director Compensation**

The form and amount of director compensation will be determined by the Board following the recommendation of the Compensation Committee in accordance with the policies and principles set forth in its charter, the Nasdaq rules or the rules of any other national securities exchange on which the Company's securities are traded from time to time or other applicable rules, and such Committee will conduct a periodic review of director compensation. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. The Compensation Committee shall have the authority to retain and terminate any compensation consultant or other adviser to be used to assist such Committee in the evaluation of director compensation and perquisites.

## **Director Orientation and Continuing Education**

The Board, with the assistance of the Nominating and Corporate Governance Committee, shall establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected directors for their benefit either prior to or within a reasonable period of time after their nomination or election as directors. The orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs and policies, its principal officers, and its internal and independent auditors.

In addition, new members to a committee will be provided information relevant to the committee and its roles and responsibilities. All continuing directors are also invited to attend any such orientation programs. The Board believes it is appropriate for directors, at their discretion, to have access to educational programs related to their duties as directors on an ongoing basis to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. The Company will provide appropriate funding for these programs.

## **Chief Executive Officer Evaluation and Management Succession**

1. *Chief Executive Officer Review.* The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance in light of the corporate goals and objectives adopted by the committee, as set forth in its charter. The Board will review the Compensation Committee's report in order to confirm that the Chief Executive Officer is providing effective leadership for Opus Bank in the long- and short-term. The Nominating and Corporate Governance Committee will conduct a periodic review of the Chief Executive Officer's compliance with the terms of the Company's Share Ownership Policy, which requires that the Chief Executive Officer acquire, and continue to hold during the term of his or her employment with the Company, ownership of Company common stock having a value equal to not less than six times his or her annual base salary.

2. *Succession Planning.* The Nominating and Corporate Governance Committee will periodically report to the Board on succession planning. The entire Board will work with the Nominating and Corporate Governance Committee to nominate and evaluate potential successors to the Chief Executive Officer and to establish policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. In addition, the Nominating and Corporate Governance Committee, with input from the Chief Executive Officer and other members of management as appropriate, will review annually the Company's program for management development and succession planning for executive officers other than the Chief Executive Officer. The Board will also review succession candidates for executive officers other than the Chief Executive Officer or other senior managers as it deems appropriate.

### **Annual Performance Evaluation**

The Board of Directors conducts an annual review of its performance, with each director completing a self-evaluation, an assessment of the effectiveness of the Board's committees, and an assessment of the Board's performance and effectiveness. The assessment will focus on the Board's contribution to the Company and especially on areas in which the Board or management believes that the Board could improve.

### **Amendment and Interpretation**

These Guidelines are in addition to, and are not intended to change or interpret any, federal or state law or regulation, or the Articles of Incorporation or Bylaws or any committee charter reviewed and approved by the Board. The Guidelines are subject to modification from time to time by the Board.