



**Orange County
BUSINESS BANK**

PERSONAL AND BUSINESS CODE OF CONDUCT

TABLE OF CONTENTS

- Section I. General Policy Statement**
- Section II. Prohibitions**
- Section III. Conflicts of Interest**
- Section IV. Confidentiality**
- Section V. Additional Policies for the Chief Executive Officer, the Chief Financial Officer and Other Senior Financial Officers**
- Section VI. Whistleblower Policy**
- Section VII. Waivers of the Personal and Business Code of Conduct**
- Section VIII. Dissemination and Distribution**
- Section IX. Miscellaneous Guidelines for Conduct**

Approved by Board of Directors – 12/18/09

I. GENERAL POLICY STATEMENT

It is the policy of Orange County Business Bank (the "Bank") to conduct its business in accordance with the highest ethical standards in order to merit and maintain the complete confidence and trust of its customers and the public in general. Covered Persons (defined below) shall conduct their personal affairs and manage their business transactions in a manner that does not result in adverse comments or criticism from the public or in any way damage the Bank's reputation as a responsible financial services organization. This Personal and Business Code of Conduct ("Code") addresses both business and social relationships that may present legal and ethical concerns, and also sets forth a code of conduct to guide Covered Persons. The term "Covered Person(s)" refers to all directors, officers and employees, and principal (10% or more) shareholders of the Bank.

In addition to the standards in this Code that are applicable generally to Covered Persons of the Bank, this Code also sets forth certain standards of conduct that are specifically applicable to the Bank's Chief Executive Officer, Chief Financial Officer and its other senior financial officers. Those standards are set forth in Section V of this Code, entitled "Additional Policies for the Chief Executive Officer, the Chief Financial Officer and Other Senior Financial Officers."

If any Covered Person has reason to believe that any provision of this Code has been violated, the Covered Person should immediately report the matter to their supervisor, to the Director of Human Resources, or to any senior officer. The term "senior officer(s)" refers to the Bank's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Credit Officer and Corporate Secretary/Director of Human Resources. If a director has reason to believe that any provision of this Code has been violated, the director should immediately report the matter to the Chairman of the Board.

The Bank will not permit retaliation against any Covered Person for reporting in good faith any breach of this Code.

A. Compliance with Laws and Regulations

It is the policy of the Bank to fully comply with the spirit and intent of all applicable laws and regulations. The Bank expects its Covered Persons to use good judgment and high ethical standards and to refrain from any form of illegal, dishonest or unethical conduct.

Covered Persons must comply with all established accounting and record keeping procedures of the Bank so as to ensure that all records are maintained completely and accurately. A Covered Person who knows or suspects that false, inaccurate or misleading entries have been made in the records of the Bank, or that entries have not been made in such records, must immediately advise his/her supervisor, the Director of Human Resources, or any senior officer.

B. Administration of the Personal and Business Code of Conduct

It is the responsibility of each Covered Person to be familiar with this Code. Supervising officers are expected to make every reasonable effort to ensure that their subordinate staff comply with the provisions of this Code.

- Senior officers, in conjunction with the Board of Directors, shall administer the Code, determine matters of interpretation, and coordinate periodic changes. The continued implementation of this Code shall be accomplished by audit, examination, and personnel procedures. The Board of Directors of the Bank shall administer this Code in its application to senior officers.

- Covered Persons are encouraged to seek the advice of their supervisor regarding questions of interpretation and of the applicability of the provisions of the Code to a particular situation.
- Covered Persons will sign a written acknowledgment of receipt of a copy of this Code and of any subsequent changes.

Covered Persons who violate the provisions of this Code will be subject to disciplinary action, up to and including termination of employment. Directors who violate the provisions of this Code may be subject to removal from the Board.

II. PROHIBITIONS

All Employees, Officers, Directors, Principal Shareholders of the Bank, are generally prohibited from:

- A. Soliciting for themselves or a third party anything of value from anyone in return for any business, service, or confidential information of the Bank;
- B. Accepting anything of value (other than bona fide salary, wages and fees) from anyone in connection with the business of the Bank, either before or after a transaction is discussed or consummated; or
- C. Self dealing, conflicts of interest, or otherwise trading on their positions with the Bank, for personal advantage, including, but not limited to, accepting a business opportunity or other benefit from one doing or seeking to do business with the Bank, which opportunity or benefit is not made available to the public generally or which is made available because of such party's position with the Bank.

III. CONFLICTS OF INTEREST

A. Policy

A conflict of interest is defined as a Covered Person's involvement in "outside interests" which might either conflict with the Covered Person's duty to the Bank or adversely affect the Covered Person's judgment in the performance of his or her responsibilities.

It is the Bank's policy that Covered Persons do not engage in any conduct which will or might conflict with the interests of the Bank. It is important to avoid even the appearance of a conflict of interest, since the appearance can be as damaging to the Bank's reputation as an actual conflict.

B. Acceptance of Gifts (Bank Bribery Act)

Federal law makes it a crime for any officer, director or employee of a federally insured bank or a bank holding company, directly or indirectly, to ask, solicit, accept, receive or agree to receive anything of value, for himself or herself or for any other person or entity intending to be influenced or rewarded, for or in connection with any transaction or business of the Bank. The penalty for violating this law is a fine, imprisonment, or both. Any offer of such an improper payment should be immediately reported to the Covered Person's supervisor, to the Director of Human Resources, or to any senior officer.

Covered Persons and their immediate families shall not solicit, accept or retain a benefit for themselves or for any third party from any customer of the Bank, any individual or organization doing or seeking to do business with the Bank, or from any other individual

or organization based on a banking relationship other than normal authorized compensation, with the intent to be influenced or rewarded in connection with any business or transaction of the Bank. In this context, a benefit is regarded as any type of gift, gratuity, favor, service, loan, legacy (except from a relative), fee or compensation, or anything of monetary value.

Special exceptions to this prohibition are made if there is no, and there appears to be no, reasonable likelihood of improper influence in the Covered Person's performance of duties on behalf of the Bank. The personal benefit, however, must be one of the following:

1. Normal business courtesies, such as a meal, refreshment or entertainment of reasonable value, involving no more than ordinary amenities in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions.
2. Non-cash gifts of nominal value (under \$100.00) received at holiday time or special occasions, such as a new job, promotion, birthday, wedding, or retirement which represent expressions of friendship.
3. Gifts based upon kinship, marriage or social relationships entirely beyond and apart from any business relationship.
4. Unsolicited advertising and promotional material of nominal value.
5. Awards given by charitable, educational, civic, or religious organizations for meritorious contributions or service.
6. Loans from other banks or financial institutions on customary terms to finance proper and usual activities, such as a home mortgage or an auto loan.
7. Discounts or rebates on merchandise or services that do not exceed those available to other customers.

Any personal benefit received, other than the exceptions noted above, is to be reported by the Covered Person to his or her supervisor who will immediately contact the Bank's designated review person, i.e. Director of Human Resources, who will take the appropriate action. If the Director of Human Resources requires higher authority, the Chairman of the Board will be contacted. Contemporaneous written records of all such disclosures will be maintained in the Human Resources Department. Any personal benefit received by a director, other than the exceptions noted, should be reported to the Chairman of the Board.

C. Political Contributions

It is the policy of the Bank to strictly comply with all applicable federal and state political campaign laws.

Under California and Federal law, a bank is prohibited from making a contribution or expenditure in connection with any federal or state election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for political office.

In accordance with California and Federal law, no Covered Person shall make any direct or indirect contribution of funds or other property of the Bank in connection with the election of a candidate to any political office. For these purposes, use of Bank facilities and equipment for political activities is deemed to be a contribution.

Loans to a candidate for political office or to a political committee are not prohibited so long as the loan is made in the ordinary course of business and meets the Bank's usual credit criteria and approval procedures for the particular type of loan.

The Bank's policy regarding corporate political contributions is not intended to discourage Covered Persons from making personal contributions to candidates or political parties of their choice.

D. Outside Activities

The Bank discourages Covered Persons (excluding non-officer directors and principal shareholders) from holding outside employment. In those instances where it is pursued, written notification should be given to the Director of Human Resources. No outside employment should be undertaken which might encroach upon the Covered Person's regular working hours; create an actual, potential or perceived conflict of interest; interfere with regular Bank duties; or necessitate such long hours as to affect the Covered Person's productivity.

Individual participation in civic activities is encouraged by the Bank. Normally, volunteer efforts must take place outside of regular business hours. If volunteer efforts require business time, prior written approval must be obtained from the Covered Person's supervisor.

Because of possible conflict of interest, Covered Persons should not act as executor, administrator, trustee, guardian or conservator, or in any other fiduciary capacity for any customer of the Bank, except for a family member.

For the purposes of this section, outside directors shall not be deemed Covered Persons or senior officers; however, all directors shall comply with the requirements of The Depository Institutions Management Interlock Act which provides that directors or senior officers of an insured bank may not serve in a like capacity in any other competing insured bank.

Other provisions of this Code relating to conflicts of interest in engaging in outside activities by outside directors shall remain applicable.

E. Personal Finances

Personal finances should be managed in a manner consistent with employment in a financial institution. Covered Persons are expected to conduct their personal financial affairs honestly and responsibly; this includes accurate maintenance of personal checking accounts and prompt payment of personal obligations. Overdrafts, kiting, or taking advantage of float in accounts maintained in the Bank is prohibited. Covered Persons and their immediate families should borrow only from reputable organizations that regularly lend money and such borrowings should carry the prevailing rate of interest and not involve favored treatment of any kind. Borrowing from relatives is not subject to restriction. Covered Persons should not borrow money from the Bank's customers or their co-workers, but should discuss any financial emergency with their immediate supervisor or the Director of Human Resources.

Covered Persons should not sign on customers' accounts, act as deputy or co-renter of customers' safe deposit boxes, or otherwise represent customers. This does not include customers related to the Covered Person by blood or marriage.

Directors and senior officers shall, in addition, be governed by The Financial Institutions Regulatory and Interest Rate Control Act (FIRIRCA) and related laws, rules and

regulations with respect to borrowing from the Bank and any knowing violation of FIRIRCA or other applicable laws shall be deemed a violation of this Code.

F. Personal Investment Activities

While the Bank does not intend to unreasonably limit Covered Persons in their personal investment activities, it is Bank policy that no Covered Person enter into investment transactions which would create, or give the appearance of creating, a conflict of interest between the Covered Person and the Bank or between the Bank and any customer. While it is not possible to enumerate all of the possible conflicts, the following specific situations should be avoided when making investment decisions:

1. Investment in securities of a customer, supplier, borrower or competitor, since it may be construed as affecting the Covered Person's judgment exercised on behalf of the Bank.
2. Investments in a company involving the possible use of non-public or insider information concerning that company may be found to be a violation of law.
3. A Covered Person should not allow a customer to arrange investments for the account of the Covered Person or his or her immediate family, nor should the Covered Person become involved in investments sponsored by a customer under circumstances which might create either a conflict of interest or the appearance of such a conflict.
4. Investment activity paralleling or anticipating investment action by the Bank must be avoided.

Where an investment conformed with this policy when made but subsequently, through change of circumstance, results in a conflict of interest, the Covered Person involved shall immediately report the condition to a senior officer or the Board of Directors. If a senior officer is the investor, the Board of Directors should take appropriate action, but in no event should action be taken which results in a financial loss to the Covered Person.

G. Lending Practices

It is the policy of the Bank to maintain prudent lending services to adequately supply the credit needs of its customers. Any rate concessions shall be based solely upon a borrower's creditworthiness and overall business relationship with the Bank.

Covered Persons are not in any way to represent or exercise authority on behalf of the Bank, grant direct or indirect accommodations, or make or approve credit recommendations or business transactions with respect to members of their families, any individual or organization to which the Covered Person or his or her immediate family is indebted, or any organization which the Covered Person or his or her immediate family are associated or in which material financial interest is held.

Federal and California law prohibits any director, officer or employee of the Bank from granting any loan or gratuity to any public bank examiner or assistant bank examiner, who examines the Bank or has authority to examine the Bank.

Covered Persons shall fully disclose to the Board of Directors or senior officers a conflict of interest presented by any loan or other business transaction arising from any business or personal relationship with a borrower, and shall abstain from any involvement with transactions so identified unless specifically approved by the Bank's Board of Directors or its Chairman of the Board.

Covered Persons, senior officers and the Board of Directors should solicit business for the Bank; however, such solicitations should not include the promise of interest rates or charges that are in violation of the Bank's adopted Loan Policy.

H. Giving Advice to Customers

Covered Persons may occasionally be asked by customers to comment upon the legality of a particular transaction. Since the Bank cannot practice law or give legal or tax advice, Covered Persons must exercise care in discussing transactions with customers and nothing should be said that might be interpreted as the giving of legal or tax advice.

I. Insider Transactions

All business transactions or affiliations between the Bank and any Covered Person and/or their related interests shall be entered into only under the following conditions:

- The circumstances, terms, conditions and means of compensation shall be substantially similar to other similar business transactions previously entered into by the Bank with persons who are not Bank insiders or their related interests, and shall in any event be at least as favorable to the Bank in all respects.
- Covered Persons shall report to the Director of Human Resources any transaction with the Bank that may result in any benefit to a Bank insider. Covered Persons shall report immediately upon becoming aware of an actual or proposed transaction of this type, and in any event prior to consummation of the transaction.
- All material business transactions between Bank insiders and/or their related interests and the Bank shall require full disclosure of the Bank insider's interest in the transaction to the Board of Directors, and such matters shall be carried out in accordance with Bank policy.
- The minutes of any Board meeting at which a business transaction between the Bank and a Bank insider or such person's related interest is approved or denied shall include the nature and source of all information used to establish the reasonableness and comparable nature of the terms, conditions and means of compensation, with copies thereof attached as appropriate.

A "Bank insider" shall, for purposes of these provisions, include all directors, senior officers and controlling persons of the Bank, and any of their related interests, and any employee or agent of either the Bank or any controlling person of the Bank who has authority to establish policy or otherwise influence the policies or procedures of the Bank or its controlling person(s).

IV. CONFIDENTIALITY

A. Customer Information

Safeguarding confidential financial information concerning the Bank's customers is essential in maintaining the public trust. It is the policy of the Bank that such confidential information acquired by a Covered Person through his or her employment must be held in the strictest confidence. Such information is held for Bank purposes and should not be used as a basis for personal gain.

Aside from routine credit and personal inquiries, information regarding a customer may be released to private persons, organizations or governmental bodies that request it, generally, only with the consent of the customer involved or upon receipt of legal process, such as a subpoena or court order pursuant to the advice of Bank counsel. Confidential

customer information should never be discussed with anyone outside the Bank, and only with those within the Bank who have a legitimate business need to know. Confidential customer information should never be discussed in public places, even within public areas of the Bank's offices. Covered Persons should be sensitive to the risk of inadvertent disclosure resulting from open doors, speaker phones, cellular phones and when transmitting confidential information by fax or other electronic media.

Covered Persons who leave the employ of the Bank should deliver to the Bank all tangible forms of media which he or she may have containing customer and Bank information. For the purposes of this paragraph, "information" includes trade secrets, records, practices, letters, plans, drawings, computer programs and data, technical data, financial and any other business data the disclosure of which might reasonably be considered contrary to the interests of the Bank.

B. Information Regarding the Bank

Financial or other information regarding the Bank is not to be released to any outside person or organization unless it has been published in reports to shareholders, or otherwise made available to the public through authorized news releases. All news media inquiries must be referred to the Bank's Chairman/CEO or Chief Financial Officer.

Except as provided above, information which may not be disclosed shall include but not necessarily be limited to, the names/addresses of employees, shareholder lists, directors' minutes, merger/acquisition information, FDIC/State examiners' reports, Bank employee payroll information, or other information not authorized by law. Any request for information where the Covered Person is in doubt should be reported to his/her supervisor. Former employees are not entitled to information that is not made available to the general public and shareholders are entitled only to material as authorized by law.

The Bank expects every employee to treat information concerning the Bank and its employees with the same confidentiality as information concerning customers of the Bank.

C. Material Inside Information

The unauthorized use or disclosure of "material inside information" subjects Covered Persons, the Bank, and third parties to whom the information is communicated, to severe penalties under federal and state securities laws. Information is "material" when there is a significant likelihood that a reasonable investor would think the information is important in making an investment decision. Information is "inside" when it has not been disseminated to the public at large. Any Covered Person possessing such material inside information must not trade in or recommend the purchase or sale of the securities involved until the information is actually disseminated to the public. Lending personnel must not disclose confidential information on existing or proposed loan customers to non-Bank personnel.

D. Insider Trading

Covered Persons are frequently entrusted with possession of confidential and highly sensitive information concerning the Bank, its clients or other businesses with which the Bank has material contractual relationships or with which the Bank may be in the process of negotiating material transactions (a "Confidential Party"). As long as a Covered Person is aware of material non-public information relating to the Bank, any of its clients, or any Confidential Party, it is the Bank's policy that such Covered Person may not buy or sell the securities of the Bank, the client, or the Confidential Party, as applicable, regardless of how that information was obtained. Equally important, the Covered Person must maintain such information in the strictest confidence.

A Covered Person must also not permit any member of his or her immediate family or anyone acting on his or her behalf, or anyone to whom he or she has disclosed such information, to purchase or sell such securities.

After the information has been publicly disclosed through appropriate channels, Covered Persons should nevertheless allow a reasonable time to elapse (usually three business days) before trading in the security, to allow for broad public dissemination and evaluation of the information.

Inquiries, as to whether information is material non-public information or whether a company or person is a client of the Bank or is a Confidential Party, should be directed to the Bank's Chief Financial Officer or Chairman/CEO.

E. Protecting the Bank's Trade Secrets Information

In the event an employee leaves employment with the Bank for any reason, California law protects the Bank's "trade secrets" from use or disclosure by such former employee in his/her new job.

The specific law that prohibits a former employee from using or disclosing such information is titled the California Uniform Trade Secrets Act. The types of information which may constitute a "trade secret" protected by law include, but are not limited to, financial or other confidential information regarding the Bank or the Bank's customers, employees, shareholders, directors and officers, lending sources, business plans, marketing plans, budgets, processes and compilations of information, records, programs, methods, techniques, policies and procedures, information systems, etc. which derive economic value from not being generally known to the public. The use or disclosure of such information in violation of the Uniform Trade Secrets Act can subject a former employee to personal liability for civil damages, royalties, and punitive damages.

The Bank expects that all former employees will comply, without exception, with the law protecting the Bank's confidential trade secrets information and other confidential Bank information.

V. ADDITIONAL POLICIES FOR THE CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER AND OTHER SENIOR FINANCIAL OFFICERS

In addition to the provisions of this Code and in accordance with the Sarbanes-Oxley Act of 2002, the Bank's Chief Executive Officer, Chief Financial Officer and other senior financial officers are expressly subject to the following additional specific policies regarding financial accounting, reporting, disclosures and internal controls.

The Chief Executive Officer, Chief Financial Officer and each of the other senior financial officers:

- are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Bank with the Federal Deposit Insurance Corporation or the Securities and Exchange Commission. Accordingly, it is the responsibility of those officers promptly to bring to the attention of the Bank's Audit Committee of the Board of Directors any material information of which any such officer may become aware that affects the disclosures made by the Bank in the public filings or otherwise assist the Audit Committee in fulfilling its responsibilities.
- shall promptly bring to the attention of the Audit Committee of the Board of Directors any information that such officer may have concerning (i) significant deficiencies in the design or operation of internal controls which could adversely affect the Bank's ability to record, process, summarize or report financial data or (ii) any fraud, whether or not material, that

involves management or other employees who have a significant role in the Bank's financial reporting, disclosures or internal controls.

- shall promptly bring to the attention of the Director of Human Resources and the Audit Committee of the Board of Directors any information that any such officer may have concerning any violation of this Code, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in the Bank's financial reporting, disclosures or internal controls.

VI. WHISTLEBLOWER POLICY

It is the Policy of the Bank:

- To encourage the good faith reporting by its officers and employees of any improper action taken by Bank officers or employees; and
- To protect Bank officers and employees from retaliatory actions based on the good faith reporting of an improper action in accordance with this policy.

Authority and Responsibility

- Senior officers of the Bank have the responsibility to implement and oversee this policy for (i) reporting improper actions, and (ii) protecting employees against retaliatory actions.
- Each supervisor is responsible for ensuring this policy is fully implemented within his or her area of responsibility.
- Violations of this policy may result in appropriate disciplinary action, up to and including termination of employment.

Definitions

- A. Abuse of Authority – means intentional misuse of power or position by a Bank officer or employee for an improper purpose.
- B. Emergency – means a circumstance that if not immediately changed may cause harm or injury to persons or property.
- C. Good Faith – means action taken after a reasonable investigation of facts available to the employee, after due consideration, and with an honestly held belief that there was improper conduct.
- D. Gross Waste – means a significant or recurring intentional misuse of Bank funds, and does not include unintentional errors.
- E. Improper Action – means any action by a Bank officer or employee:
 1. That is undertaken in the performance of an officer's or employee's official duties, whether or not the action is within the scope of an officer's or employee's employment;
 - and
 2. That:

- Is a violation of any federal, state or local law or rule;
- Is an abuse of authority with substantial adverse impact to the Bank, customer(s), or public interest;
- Is a substantial and specific danger to the public health or safety; or
- Is a gross waste of Bank funds or property.

Improper action does not include personnel actions including, but not limited to, employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployments, performance evaluations, reductions in pay, dismissals, suspensions, demotions, reprimands, or any other personnel action taken under authority of state or federal law.

- F. Retaliatory Action – means any adverse change in a Bank employee's employment status or in the terms and conditions of an employee's employment based on the good faith reporting by that employee of an improper action.
- G. Rule – means any order, directive, regulation, or law, the violation of which subjects a person or the Bank to a penalty or administrative sanction.

Improper Action Reporting Procedures

The Bank encourages the good faith reporting of

- any improper action taken by a Bank officer or employee, and
- any retaliatory actions for such reporting.

Bank employees who obtain knowledge of facts demonstrating improper actions are encouraged to report their good faith concerns to their immediate supervisor, to the Director of Human Resources, or to any senior officer in order to facilitate the expeditious resolution of all such matters and to minimize any adverse impact of the improper action. In the case of an emergency, an employee may in good faith report the improper action directly to a person or entity who is not, his or her supervisor, the Director of Human Resources, or a senior officer, such as a law enforcement authority.

If an employee feels uncomfortable discussing his/her good faith concern or complaint with anyone inside the Bank or, once reported, feels Bank management has not satisfactorily investigated and/or resolved his/her concern, the employee may contact any member of the Board of Directors.

Additionally, if any employee of the Bank is aware of any improper action taken by any Bank officer or employee in relation to the Bank's financial accounting, reporting, disclosures and internal controls, they are encouraged to report their good faith concern to the Chairman of the Audit Committee of the Board of Directors or to any member of the Audit Committee

Although the Bank encourages its officers and employees who report any improper action to identify themselves when making such a report, the Bank also provides the opportunity to report improper actions on a confidential and anonymous basis through an integrated telephone and internet web-based "helpline" available 24 hours a day 365 days a year facilitated by EthicsPoint. Telephone access is through a toll-free number – **(888) 297-4157** and website access is provided at – **www.ethicspoint.com**. All reports received by EthicsPoint are confidential and provide our employees with the opportunity to decide whether or not to disclose their identity. All reports received by EthicsPoint, whether submitted by phone or internet, are forwarded to the Director of Human Resources and Chief Financial Officer, or to the Chairman of the Bank's Audit Committee of the Board of Directors (if the improper action involves a member of Executive Management). If the report was filed anonymously, all communications are handled confidentially and EthicsPoint

will not knowingly disclose any information that would identify the reporting employee without his/her permission.

Employees who make knowingly false reports may be subject to disciplinary action(s) including, but not limited to, termination of employment.

Investigation Procedures

Senior officers, along with the Director of Human Resources, will take prompt action to properly investigate any report of improper action. Bank officers and employees involved in the investigation will keep the identity of a reporting employee confidential to the extent possible and permitted by applicable law. An employee reporting the improper action will be advised of the results of the investigation upon completion, with the exception of personnel actions taken as a result of the investigation which must be kept confidential.

If warranted, appropriate agencies responsible for the enforcement of federal, state and local law may be contacted to assist with the investigation of any improper action.

Maintenance of Report Log

The Director of Human Resources will maintain a log of all reported improper actions, tracking their receipt, any investigation that may be conducted and the ultimate resolution of such matter, and shall prepare a periodic summary report for the Board of Directors regarding each reported improper action and any such investigation. The Chairman of the Audit Committee will maintain a log of all improper action reports regarding accounting, internal accounting controls, or auditing matters, tracking their receipt, investigation and resolution and shall prepare periodic summary reports for the Audit Committee.

Retaliatory Action Procedures

Bank officers and employees are prohibited from taking retaliatory action(s) against a Bank employee because he or she has in good faith reported an improper action in accordance with this policy. Specifically, an officer or employee shall not directly or indirectly use or attempt to use his or her official authority or influence to harass, intimidate, threaten, coerce, command, influence, or attempt to intimidate, threaten, coerce, command or influence, another officer or employee, as applicable, in an effort to interfere or prevent the disclosure of information concerning an improper action.

For purposes of this section of the policy, use of "official authority or influence" includes taking, directing others to take, recommending, processing, or approving any personnel action, such as an appointment, promotion, transfer, assignment, reassignment, reinstatement, reemployment, evaluation or disciplinary action.

An employee who believes he or she has been retaliated against for reporting an improper action should advise his or her immediate supervisor, any senior officer, or the Director of Human Resources. Senior officers, in conjunction with the Director of Human Resources, will take appropriate action to investigate and address complaints of retaliation. If senior officers of the Bank do not satisfactorily resolve an employee's complaint that he or she has been retaliated against in violation of this policy, the employee may contact any member of the Board of Directors.

Nothing in this policy prohibits the Bank from initiating proper disciplinary procedures against an officer or employee, as applicable, who is untruthful or who does not act in good faith when reporting and/or disclosing information concerning an improper action.

VII. WAIVERS OF THE PERSONAL AND BUSINESS CODE OF CONDUCT

Waivers for Executive and Financial Officers or Directors. No conduct requirements of this Code may be waived for the Bank's Chief Executive Officer or Chief Financial Officer, or any of the other senior accounting officers (if other than the Chief Financial Officer), or any persons performing similar functions, unless the waiver is approved in advance by majority vote of the Board of Directors or by the Audit Committee. Additionally, any waiver of any of the conduct requirements of this Code for categories of persons specified in Securities and Exchange Commission rulemaking under Section 406 of the Sarbanes-Oxley Act of 2002 or the exchange upon which the Bank's securities are listed, if any, will be publicly disclosed, on a prompt basis, to the Bank's stockholders to the extent and in the manner required by such rules.

VIII. DISSEMINATION AND DISTRIBUTION

This Code will be physically posted at each Bank office and facility in an appropriate location, and will be made publicly available in a manner consistent with the applicable rules of the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the California Department of Financial Institutions and the exchange upon which the Bank's securities are listed, if any. Additionally, any amendments or waivers to this Code, also will be disseminated by the Bank as and to the extent required by the applicable rules of the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the California Department of Financial Institutions and the exchange upon which the Bank's securities are listed, if any.

IX. MISCELLANEOUS GUIDELINES FOR CONDUCT

A. Bank Secrecy Act/Money Laundering Activities

The Bank requires all Covered Persons to comply with the laws and regulations regarding the Bank Secrecy Act and the laws and regulations prohibiting the laundering of money. Money is laundered to hide criminal activity associated with it, including the crimes by which it is generated. Covered Persons need to "know their customers" and be alert to the dangers to the Bank should it, even unwillingly, become involved in receiving or laundering the proceeds of crimes. Regulators require banks to report any known or suspected criminal activity to avoid the Bank Secrecy Act requirements, such as the laundering of monetary instruments or structuring of transactions. Covered Persons should contact the Bank Secrecy Act Officer or the Chief Financial Officer immediately in the event any known or suspected criminal activity or transaction comes to their attention.

B. Dealings with Competitors

The policy of the Bank is to require Covered Persons to observe fair and ethical conduct in dealing with the Bank's competitors. The dissemination of rumors or the making of disparaging remarks concerning the Bank's competitors is considered to be inappropriate and unethical. The Bank's policy is always to emphasize the soundness of our Bank and the quality and competence of our staff and services, rather than to criticize our competitors.

Covered Persons are prohibited from involving the Bank in arrangements with competitors which provide for the setting or controlling of rates, prices, salaries or marketing policies. Periodic checks with competitors on the current market on interest, rates, terms, salaries, and charges will not be deemed a violation of this policy so long as the Covered Person does not enter into any price-fixing agreement with the competitor. Discussion of terms, rates, charges, interest, and other factors with competitors will not be a violation of this policy where the competitor has agreed to participate in or purchase a loan.

C. Exclusive Dealings

It is the policy of the Bank that it does not condition the sale of services to a customer upon the condition that the customer must purchase other services from the Bank or upon the condition that the customer is prohibited from dealing with other suppliers of such services. Rates, however, may be regulated, determined, and conditioned upon certain requirements established in the Bank's Loan Policy, as amended from time to time, with respect to compensating balances and other factors.

D. Audits and Investigations

Covered Persons are required to fully cooperate with investigations, examinations, reviews and/or audits conducted by the Bank's management, regulatory examiners, internal or external audit firm(s), and any other authorized investigator(s). Specifically, Covered Persons must comply with all requests for documents and/or other physical evidence, and questions raised by investigators, auditors or examiners must be responded to honestly and no adverse information in response to a question may be concealed.

E. Falsification of Books and Records

It is the policy of the Bank to maintain records, accounts and customer information which accurately reflect its assets, liabilities, receipts, disbursements, operations and transactions of every kind. The falsification of any books, records, or documents of the Bank is grounds for dismissal and can be deemed a criminal act punishable by fine and/or prison.

F. Use of Bank Name and Resources

Use of the Bank's name or resources for any purpose other than Bank business is prohibited. The term "resources" includes, but is not limited to, owned or controlled funds, property, vehicles, equipment, supplies and stationery, as well as the working time and work product of Covered Persons. (Note that work product includes all writings, ideas, reports and data generated or developed in connection with employment at the Bank and always remain the property of the Bank.) Also, pre-authorization by the Covered Person's supervisor is required for any non-job related external communications, such as speeches, letters or publications, which could reasonably be construed as directly or indirectly representing the Bank.

Although unintentional, personal letters, testimonials and letters of recommendation written on the Bank's letterhead may lead to embarrassing situations for both the writer and the Bank. Accordingly, it is inappropriate for Covered Persons to use Bank stationery or envelopes for either personal correspondence or other non-job related purposes.

G. Credit Reports

It is against the Bank's policy for any Covered Person to use the Bank's credit reporting systems to improperly obtain another person's credit report. Covered Persons may only obtain consumer and business credit reports that are in relation to the business of the Bank.

ORANGE COUNTY BUSINESS BANK

**PERSONAL AND BUSINESS CODE OF CONDUCT
ACKNOWLEDGEMENT AND RECEIPT**

I have received a copy of and have read Orange County Business Bank's Personal and Business Code of Conduct, including the Bank's Whistleblower Policy, and will abide by all of its provisions at all times.

I understand that I am encouraged to seek the advice of my immediate supervisor, the Director of Human Resources, or any senior officer in regard to questions of interpretation and of the applicability of the provisions of the Code of Conduct to a particular situation.

Within its meaning, expressed and implied, I am not and have not been aware of any circumstance or activity of a business, personal or family nature which would conflict with the interest of the Bank except as indicated below. *(If nothing to report, please write "none.")*

Signature: _____

Print Name: _____

Branch/Division/Department: _____

Date: _____

Circumstance or Activity

