

PCB Bancorp

Corporate Governance Guidelines

The following Corporate Governance Guidelines have been established by the Board of Directors (the “Board”) of PCB Bancorp and its banking subsidiary, PCB Bank (collectively, the “Company”). These guidelines provide a structure within which directors and management may effectively operate and pursue the Company’s objectives for the benefit of the Company’s shareholders. They are intended to be guidelines adopted in accordance with applicable laws and regulations, subject to periodic review (at least on an annual basis) and approval of any material changes by the Board.

I. Principal Functions of the Board of Directors

The principal functions of the Board are as follows:

To Review and Approve the Company’s Strategic Direction and Monitor the Company’s Performance:

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders. It is the duty of the Board to oversee the Chief Executive Officer (CEO) and other senior management in the competent and ethical day-to-day operation of the Company.

The Board reviews and approves annual corporate goals and operating plans as required for the Company. On an ongoing basis during the year, the Board and its standing committees (each, a “Committee”) monitor the Company’s performance against such goals and operating plans.

The Board stays abreast of applicable industry, market, competitive, political, regulatory and economic trends and developments that may impact the Company’s strategic direction.

To Oversee the Company’s Risk Management:

The Board is responsible for the oversight of risks to the Company. The Board, as a whole and through its Committees and management, oversees the management of risks that may impact the Company’s business and operations, and seeks to ensure that risks are appropriately identified, measured, monitored and addressed.

The Company focuses on key risks that may impact its business, operations and financial condition, including, among others, credit risks, market risks, capital and liquidity risks, operational risks, legal and compliance risks, strategic risks, and reputational risks. Managing risk is crucial to the continuity of the Company’s operations, as well as the protection of resources, shareholder value, assets and reputation. As such, the Board is committed to sound oversight, ethical business principles and compliance with the letter and spirit of the law.

To Evaluate the Performance of the CEO:

Each year, the Compensation Committee, in consultation with the Chairman of the Board, determines the annual performance goals of the CEO. After year-end, the Compensation Committee evaluates the performance of the CEO in meeting those goals through an evaluation process determined by the Compensation Committee.

To Oversee Compensation Matters:

The Compensation Committee of the Board oversees the compensation strategies, plans, policies and programs for officers (as that term is defined in Rule 16a-1 promulgated under the Securities Exchange Act of 1934, as amended, the “Officers”) and other employees to ensure they are appropriate and competitive, and properly reflect the Company’s objectives and performance.

The Compensation Committee recommends the compensation for the CEO, which is approved by at least a majority of the independent directors of the Board. Additionally, the Compensation Committee approves the compensation for all other Officers, as well as for members of the Board.

To Plan Management Succession:

The Board or designated Committee plans for succession to the position of CEO, and monitors management’s succession planning for other senior management positions.

To Advise and Counsel Management:

Advice and counsel to management occurs both formally, in Board and Committee meetings, and informally, through contact and communication between individual directors and members of management.

The information needed for the Board's decision-making generally will be found within the Company, and Board members have full access to management and other employees as well as to the Company’s records and documents. The Board may also seek legal or other expert advice from a source independent of management.

To Monitor and Manage Potential Conflicts of Interests of Management, Board Members and Shareholders:

Through the monitoring and management efforts of its Audit Committee, the Board oversees potential conflicts of interests of management, Board members and shareholders, to ensure that there are no abuses of corporate assets or inappropriate related party transactions. Pursuant to the Company’s Code of Ethics and Business Conduct, the Audit Committee reviews and approves, where necessary, transactions involving the Company and certain “related” parties (such as directors, management members and certain shareholders), as required under applicable securities laws and NASDAQ Listing Rules. Any loan transactions with related parties or interests are also subject to the review and approval of the Board, to the extent required under the Federal Reserve’s Regulation O.

Providing Oversight in Maintaining Integrity of Financial Information:

The Audit Committee of the Board oversees the integrity of the Company's accounting and financial reporting systems, including the independent audit of the Company's financial statements. The Audit Committee oversees management efforts to put in place and maintain appropriate systems of control, in particular, systems for monitoring financial risks, internal controls over financial reporting, and compliance with applicable laws. The Audit Committee reports to the Board on a regular basis and the Board, upon the recommendation of the Audit Committee, takes such actions as it believes are necessary to ensure the integrity of the Company's accounting and financial reporting systems and that appropriate controls are in place. In addition, the Audit Committee oversees the Company's engagement of its independent registered public accounting firm.

To Monitor the Effectiveness of the Governance Practices under which the Board Operates and Make Changes as Needed:

The Nominating and Governance Committee of the Board periodically reviews and evaluates the effectiveness of the governance practices under which the Board operates and makes changes to such practices as needed.

II. Board Structure and Composition

Number of Directors

The Company's Bylaws provide for a range of five (5) to nine (9) authorized directors and permit the exact number to be fixed by the Board. The Nominating and Governance Committee and the Board periodically review the appropriateness of the size of the Board, and may from time to time increase or decrease its size in accordance with the needs of the Company.

Director Independence

The Board will have at least a majority of directors who meet the criteria for independence established by the applicable rules and regulations of the Securities and Exchange Commission ("SEC") and NASDAQ.

Selection and Evaluation of Board Candidates

The Nominating and Governance Committee identifies candidates for membership on the Board and recommends such candidates' nomination to the Board based on their skills, character, judgment, and business experience, as well as their ability to diversify and add to the Board's existing strengths. The Nominating and Governance Committee typically seeks individuals with diverse backgrounds and skills complementary to the Company's business and strategic direction; functional expertise in areas such as banking/financial services, public companies, global markets, legal/compliance, regulatory, accounting, finance, operations, information technology and risk management; and an assessment of an individual's abilities to work constructively with the existing Board and management, all in the context of an assessment of the perceived needs of the Board at that point in time.

The Nominating and Governance Committee will consider nominees proposed or recommended by directors, officers, employees, shareholders and others using the same criteria to evaluate all candidates.

The Nominating and Governance Committee nominates and recommends the slate of directors to be recommended by the Board to the Company's shareholders. Additionally, pursuant to the Bylaws, shareholders may nominate directors for consideration at an annual shareholder meeting.

In addition, the Nominating and Governance Committee is responsible for implementing and overseeing the Board's succession planning process for the position of the Chairman of the Board.

Separate Roles of Chairman and Chief Executive Officer

The Board believes that the roles of the Chairman of the Board and Chief Executive Officer should be separate. The Board believes that having an independent director serve as Chairman is the most appropriate leadership for the Board, as it enhances the Board's independent oversight of management and its strategic planning, reinforces the Board's ability to exercise its independent judgment to represent shareholder interests, and strengthens the objectivity and integrity of the Board. As such, the position of the Chairman of the Board is held by an outside, independent director.

Annual Director Term

Each director is elected for a one-year term or until his or her successors have been elected and have qualified at an annual meeting of shareholders of the Company.

Advisory Directors

From time to time, the Board may, in its discretion, appoint one or more advisory directors to serve in an advisory capacity at the pleasure of the Board. Such advisory directors do not have any voting or decision-making authority and are not elected by the shareholders.

III. Directorship Matters

Directors Continuing Education

The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to be continually educated on matters pertinent to his or her service on the Board. It is the Board's view that continuing education may be achieved in various ways as appropriate for each individual director, including, among other things, participation in formal education programs, conferences or seminars (the reasonable expenses of which are reimbursable by the Company) or through independent study or outside reading. In addition, from time to time, management may also bring education opportunities to the Board through management presentations, additional education materials or outside speakers.

Director Retirement

The Board's policy, unless otherwise prohibited by law, is that non-employee directors, upon reaching the age of 80, will submit to the Nominating and Governance Committee a letter offering to not stand for re-election at the next annual meeting of shareholders. However, the Nominating and Governance Committee, in consultation with the full Board as appropriate, is permitted in its discretion to decline to accept any such offer.

Changes in Director's Principal Occupation

The Board asks that each non-employee director who materially changes his or her principal occupation (or ceases to be engaged in the principal professional activity in which he or she was engaged at the time of joining the Board) notifies the Nominating and Governance Committee of such change within a reasonable amount of time. While it is not anticipated that such change should necessarily result in a director's departure from the Board, the Nominating and Governance Committee will consider the impact of any reported change upon the composition of the Board and make any recommendations to the Board, as it deems appropriate.

Director Compensation

The form and amount of director compensation is periodically reviewed and recommended by the Compensation Committee in accordance with its charter and approved by the Board in accordance with Section 3.14 of the Company's Bylaws.

Outside Directorships

All directors are encouraged to carefully consider the number of other boards on which they serve, taking into account the time required for board attendance, participation and effectiveness on these boards. Directors should notify the Nominating and Governance Committee in advance of accepting any invitation to serve on another public company board.

Directors are reminded of the limitations of the Management Interlocks Act and related regulations, which generally prohibit directors from serving two non-affiliated depository organizations in situations where the management interlock would likely have an anticompetitive effect.

IV. Meetings

Board Meetings

The full Board meets at least four times each year, but may meet more often when necessary. Items on the agenda are typically determined by the Chairman and the Chief Executive Officer, in consultation with the Board and management. Any director may request that an item be included on the agenda.

Generally, Board members receive information in advance of Board and Committee meetings so

they have an opportunity to prepare for discussion of the items at the meeting. Information may include summaries, reports and other materials prepared by management and/or third parties.

Board members are expected to prepare for and participate in all Board and applicable Committee meetings. Each Board member is expected to ensure that other commitments do not materially interfere with the member's services as a director. To facilitate participation, directors may attend in person, via telephone conference or via video-conference.

Executive Sessions

Executive sessions are regularly scheduled during Board and Committee meetings, as well as on an as-needed basis. Further, independent directors must meet regularly, at least twice per year, in executive session (without members of management present).

Shareholder Meetings

It is the Board's policy that each director uses his or her best efforts to attend each of the Company's annual shareholder meetings, unless doing so is impractical due to conflicts or events outside of a director's or nominee's control.

V. Committees

Types of Committees

The Board has the following three standing Committees:

- Audit Committee
- Compensation Committee
- Nominating and Governance Committee

The Board may, from time to time, form new committees, as it deems appropriate. Additionally, the Board may designate directors to serve on special task forces, with or without members of management, to oversee specific corporate initiatives.

Committee Membership

All of the members of the Audit, Compensation and Nominating and Governance Committees must meet the criteria for independence established by applicable law, including the rules and regulations of the SEC and NASDAQ. In addition, the members of all the Committees must meet any other membership criteria specified in the respective charters of such Committees. Committee members are nominated by the Nominating and Governance Committee and approved by the Board.

Committee Charters

Each Committee has its own charter. The charters set forth the policies and responsibilities of the Committees (including membership qualification requirements), and are typically reviewed and

modified, as necessary, by the Board on an annual basis. Copies of the Corporate Governance Guidelines, Compensation, Audit, and Nominating and Governance Committee charters are available on the Company's website at www.mypcbbank.com by clicking "About," then "Investor Relations," then "Corporate Governance" and then "Governance Documents."

Committee Meetings

Each Committee meets as provided in its respective charter. The Chairs of each Committee, in consultation with appropriate Committee members and members of management, and in accordance with the Committee's charter, determine the frequency and length of Committee meetings and develop the Committee's meeting agendas.

Committee Reports

The Chairs of each Committee report on the actions taken and matters discussed at their respective Committee meetings to the full Board on a regular basis.

VI. Board Evaluation and Succession Planning; Board Access to Management and Advisers; Interaction with Other Parties

Annual Board and Committee Evaluations

The Board conducts an annual evaluation and review of its performance and effectiveness, pursuant to a process as determined by the Nominating and Governance Committee. The Board may be evaluated as a whole and/or as the Nominating and Governance Committee determines, on an individual director basis. The evaluation process may involve written surveys or outside consultants or advisers, and include a review of various aspects of the Board, such as Board size, meeting frequency, quality and timing of information provided to the Board, director communication, director education, director skills and qualifications, director independence or other matters. The results of the evaluation are discussed with the full Board.

Additionally, the Nominating and Governance Committee implements and develops appropriate processes to conduct annual evaluations of Board Committee performance and effectiveness. The evaluation process includes a review of various aspects of the Board Committees, such as committee sizes, committee composition, committee performance, and committee coordination with one another or committee involvement with the full Board. The results of the Committee evaluations are reviewed by and discussed with the full Board and/or each respective Committee as well as by the Nominating and Governance Committee.

Board Succession Planning

The full Board plans for the general succession of its members. Such planning takes into account the balancing of the appropriate representation of experience and skills on the Board, with the importance of Board refreshment.

Board Access to Management

Board members have complete access to the Company's management and employees. Furthermore, the Board encourages management to, from time to time and as appropriate, bring managers into Board and Committee meetings who: (i) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (ii) are managers with future potential that senior management believes should be given exposure to the Board.

Board Access to Advisers

The Board and each Committee have the authority to obtain advice, reports or opinions from counsel and expert advisers and have the power to hire independent legal, financial and other advisers as they may deem necessary, without consulting with, or obtaining approval from management of the Company in advance.

Board Interaction with Other Parties

The Board believes that 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 but it is expected that Board members would do this with the knowledge of the Chairman, and in most instances, at the request of the Board or senior management.

VII. Equity Ownership Guidelines

To align the economic interests of the members of our Board and executive management with the shareholders of the Company, the Compensation Committee of our Board recommends that each such member holds shares of the Company's common stock. The Board may choose to set specific equity ownership guidelines for executive officers and non-employee members.

VIII. Ethics and Conflicts of Interest

The Board expects the Company's directors, as well as its officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's code of conduct set forth in the Company's Code of Ethics and Business Conduct. Absent compelling circumstances, the Board will not permit any waiver of any ethics policy for any director or executive officer of the Company, unless the waiver is in compliance with all applicable law. Any such waiver for a director or executive officer will be promptly disclosed to the public as required by NASDAQ and SEC rules and regulations.

If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman of the Board and CEO. If a significant conflict exists and cannot be resolved to the Board's satisfaction, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall

resolve any conflict of interest question involving the CEO, or another director, and the CEO shall resolve any conflict of interest issue involving any officers of the Company and shall report such situations involving executive officers to the Board.

IX. Amendment

The Board may amend these Guidelines, or grant waivers in exceptional circumstances, provided that any such modification or waiver may not be a violation of any applicable law, rule or regulation, and further provided that any such modification is made in writing, documented in the minutes of the Company, and appropriately disclosed.

* * * *