



**Hope Bancorp, Inc.  
&  
Bank of Hope**

**DIRECTOR CODE OF ETHICS AND  
BUSINESS CONDUCT**

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## **I. INTRODUCTION**

This Director Code of Ethics and Business Conduct (this “Code”) sets forth the policy and standards concerning ethical conduct for the directors of Hope Bancorp, Inc. (“Hope”) and Hope Bank (“Bank”), and each of their affiliates’ (collectively hereinafter referred to as the “Company”). Directors are expected to act in a manner that will serve the best interests of the Company; that is fair, honest, and trustworthy; that is in compliance with applicable laws, rules, and regulations; that will preserve confidential information; that will avoid conflicts of interest or the appearance of conflicts of interest; that will avoid fraudulent acts, misconduct and dishonesty; and that will protect and uphold the best use of the Company’s assets.

While this Code addresses many types of business and social relationships that may present legal and ethical concerns, it does not cover every issue that may arise. This Code instead contains basic principles to guide directors when facing ethical issues. In some situations involving ethical judgment, it may be difficult for a director to determine the proper course of action or obligations under this Code. In such instances, a director should not rely solely on his or her own judgment, but must discuss the matter with the appropriate party as set forth in Section VI. Process for Reporting, Waivers and Exceptions.

All directors should read and abide by this Code in conjunction with the Company’s Code of Ethics and Business Conduct. Each director has a duty and obligation to report any violation or potential violation of the Code or the Company’s Code of Ethics and Business Conduct. The Company will fully investigate all reported violations to determine the facts of the case and will take appropriate action up to and including the removal of the director, instituting civil proceedings, and alerting authorities for potential criminal sanctions.

## **II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

A director must at all times conduct himself or herself in a manner which is in compliance with applicable laws, rules, regulations, as well as with Company’ policies. Any behavior which could lead to an action being brought before a criminal or civil court is deemed in violation of the Code. Directors will avoid fraudulent acts, misconduct and dishonesty, or the appearance of such. It is prohibited for a director to use illegal (for example, theft, bribery, misrepresentations, or espionage) or unethical means or methods while serving as a director and when acting on behalf of the Company.

Any director convicted of or pleading guilty to a felony or who has been sanctioned by a regulatory agency must immediately notify the Legal Department. Directors must respond honestly and truthfully to all inquiries made by the Company’s independent public accounting firm or supervisory regulatory agency.

Directors are prohibited from unlawfully soliciting or demanding, for the benefit of any person, or unlawfully accepting anything of value for or in connection with any transaction or business of Bank within the context of the Bank Bribery Act.

### **III. PRESERVE CONFIDENTIALITY**

#### ***A. Confidential Information***

“Confidential Information” includes private, sensitive, privileged information in possession of the Company and the Company’s Board of Directors (the “Board”), including information entrusted to them by its customers. Confidential Information also includes all materials and formal or informal communications by directors on behalf of the Company, including but not limited to Board and Board Committee packages, agendas and minutes which have not been disclosed to the public. Confidential Information is intended solely for use within the Company and is limited to those with a business need-to-know. Confidential Information acquired by a director through his or her service must be held in the strictest confidence. Except for an appropriate business reason, Confidential Information must not be discussed outside the Company and must be discussed within Company only with those with a business need-to-know for the performance of duties on behalf of Company. Confidential Information is to be used solely for corporate purposes and never for personal gain, and may not be used to engage in direct or indirect competition with the Company.

Confidential Information may not be disclosed to persons outside the Company except when disclosure is made in accordance with the Company’s policies and customer agreements or as required by law.

Any prohibited disclosure of Confidential Information, by a director, may lead to their immediate dismissal from the Bank Board; in addition, a process to remove the director, for cause, subject to shareholder approval, may be initiated in relation to their directorship with the Hope Board.

#### ***B. Proprietary Information***

“Proprietary Information” includes, but is not limited to, trade secrets and information regarding:

- the Company’s business;
- the Company’s financial performance, if it has not been publicly announced;
- Board and Board Committee communications and materials;
- customers;
- other Company directors;
- products, services and pricing;
- vendors;
- patents, copyright, trademarks and other intellectual property;

- systems plans and information;
- data centers or other property information; and
- business plans, marketing plans, strategies and costs.

Directors must not use or disclose Proprietary Information about the Company or its staff, customers or vendors, except as appropriate in connection with the business of the Company and in line with the requirements under applicable law.

### ***C. Insider Trading***

Insider trading involves the purchase or sale of securities of a company or other entity while in possession of material, nonpublic information (“MNPI”) pertaining to such company or entity. Directors must not purchase or sell securities either personally or for any account over which they have direct or indirect control if they are aware of MNPI. Please see the Hope Bancorp, Inc. and Hope Bank Insider Trading Policy for further details.

**1. Material Non-Public Information** – “Inside” or “nonpublic information” is information about a business organization that is not generally available to or known by the public. Such information is considered to be “material” if there is a likelihood that it would be considered important by an investor in making a decision to buy or sell a company’s securities (whether stock, bonds, notes, debentures, limited partnership units, or other equity or debt securities). Information should be presumed “material” if it relates to, among other things, any of the following:

- earnings or financial results;
- dividend increases or decreases;
- changes in previously released earnings estimates;
- significant gains or losses;
- significant expansion or curtailment of operations;
- significant merger or acquisition proposals or agreements;
- significant purchase or sale of assets;
- significant borrowing;
- major litigation;
- new debt or equity offerings;
- liquidity problems; or
- significant management or Board of Directors changes.

Questions regarding whether information is “inside” or “material” should be referred to the Legal Department or the Chief Financial Officer.

**2. Purchase and Sales of Securities Issued by Company** – Directors may not purchase or sell securities issued by the Company if they have MNPI about the Company. Directors may not purchase or sell securities issued by the Company

outside the trading window determined by the Legal Department. When directors do trade in securities issued by the Company they must first obtain the approval of the Legal Department and complete any required disclosures. Directors may not invest in options (other than stock options issued under director compensation plans), puts, calls, short sales, futures contracts or other similar transactions involving securities issued by Company, regardless of whether they have MNPI. Directors must not disclose MNPI they possess to family members or others, except to those who have a reason to know, in order to perform their duties on behalf of Company.

#### IV. CONFLICTS OF INTEREST

##### A. *Overview*

Board members must avoid conflicts of interest or the appearance of conflicts of interest in their activities. A conflict of interest exists when a director is involved in an outside interest or any activity that might either conflict with the director's duty to the Company or adversely affect the director's judgment in the performance of his or her responsibilities to the Company. A director is required to act in a responsible and respectable manner and to remain free of influences that may result in a loss of objectivity regarding business conducted with the Company's customers, suppliers or the Company itself. See the Bylaws of Hope for a discussion on "interested" directors. A conflict of interest is a situation in which:

- a director's personal interest or outside economic interest in a matter may be inconsistent or incompatible with the director's obligation to exercise his or her best judgment in pursuit of the interests of the Company;
- a director appropriates a business opportunity that belongs to the Company; or
- a reasonable question about or the appearance of such interference, inconsistency, appropriation or involvement is raised.

##### B. *Specific Guidelines*

**1. Related Party Transactions** – In addition to the duties and responsibilities addressed above a director must report all related party transactions as soon as the director becomes aware of the potential related party transaction. See the Corporate Governance Guidelines for a detailed discussion.

**2. Outside Business Activities** – Directors should inform the Chair of the Nomination and Governance Committee of the Board ("NGC") and the Chief Executive Officer of the Company before accepting an offer to serve as an officer, general partner, or director of an outside for-profit enterprise so that the opportunity can be reviewed for any possible conflicts of interest.

**3. Independence** – Directors should inform the Chair of NGC and the Chief Executive Officer of the Company of any circumstance which might reasonably

affect their “independence” under the requirements of the NASDAQ Stock Market Rules and other applicable laws and regulations and the Company’s Corporate Governance Guidelines.

**4. Loan / Credit** -- Federal law prohibits preferential lending to directors by correspondent banks, and requires Company directors to report any outstanding credit held with a correspondent bank on a yearly basis. It is, however; permissible for the Company to extend credit to a director in accordance with FRB Regulation O (12 CFR 215) (“Regulation O”) where terms are substantially similar to terms offered to comparably situated customers who are not directors.

**5. Gifts and Hospitality** – Directors must not accept gifts or hospitality (including services, discounts, entertainment, travel or promotional materials) from a person or entity known to them to be an actual or potential customer or supplier, or from business or professional contacts to whom Company does or may refer business, unless the gift or hospitality was made in accordance with accepted, lawful business practices and no inference can be drawn that the gift or hospitality could influence the director in the performance of his or her duties for the Company. It is unlawful to seek or accept anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of Company.

**6. Civic Activities** – Participation in Community Reinvestment Act activities performed on behalf of the Company is encouraged. Director participation, including appointment as a trustee, director or officer, in a religious, community, professional or charitable organization does not require prior approval by NGC unless there is a lending relationship or some other potential conflict of interest between an organization and the Company. A director’s participation shall not imply that he or she is serving at the direction or request of Company.

**7. Political Activities** – It must be clear at all times that a director’s participation in any political activity, including, but not limited to campaigning, fundraising, donating or serving in political office, is done in an individual capacity and not as a representative of the Company. Before a director becomes a candidate or appointee for a public office, the director must notify the Chair of the NGC. Under Regulation O, the definition of a related interest includes a political or campaign committee that is controlled by a director, or where the funds or services of such committee benefit a director. Thus, the Company must comply with Regulation O before extending credit to a political or campaign committee that is controlled by a director.

When presented with a situation involving a potential conflict of interest, factors to consider include: whether an outside observer would believe or infer that the situation is improper or may interfere with a director’s work performance, responsibilities or fiduciary duty to the Company. Questions concerning the application of this guideline in

specific instances should be discussed with the Legal Department or the Chair of the NGC.

## **V. COMPANY'S REGULATORY REPORTING AND INVESTIGATIONS**

It is of critical importance that the Company's filings with the Securities and Exchange Commission, banking regulators, and other regulatory agencies and authorities, as well as its other public communications and disclosures are fair, complete, accurate, timely, and understandable. A director must always answer all regulatory requests fully and honestly.

A director must also cooperate fully and honestly with all requests for information related to internal or external examinations or investigations.

## **VI. PROCESS FOR REPORTING, WAIVERS AND EXCEPTIONS**

Directors are expected to promote ethical behavior and create a culture of compliance with all applicable laws, rules and regulations. Directors should promote an environment in which the Company:

- encourages employees to communicate openly with supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation;
- encourages employees to report violations of laws, rules and regulations or the Company's Code of Ethics and Business Conduct to appropriate personnel; and
- informs employees that the Company will not allow retaliation for reports made in good faith.

If a director becomes aware of a possible violation committed by the Company of applicable laws, rules or regulations, the director should notify the Chair of the NGC to initiate an investigation and make sure that there is a satisfactory resolution of the reported violation. A director has a fiduciary duty and obligation to report any and all possible violations, including any unethical or illegal actions committed by another director in violation of this Code or any other Company policies.

Exceptions or waivers to this Code can be approved only by the NGC and if approved, will be disclosed to Company stockholders as required by applicable laws, rules and regulations. A director requesting an exception or waiver must put all relevant facts in writing and submit the request to the Chair of the NGC. The director will be notified in writing of the decision of the NGC. If an exception or waiver is requested by the Chair of the NGC, such request should be submitted to the Chairman



of the Hope Board, or if they are the same person, such request must be approved by the disinterested members of the Executive Committee of the Board.