

HANMI BANK
AUDIT COMMITTEE CHARTER
(Approved by the Board 12/20/2017)

I. PURPOSE – Audit Committee

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Bank's process for monitoring compliance with laws and regulations and the code of conduct.

II. AUTHORITY

The audit committee has the authority to conduct or authorize audits, assessments, consulting engagements, or investigations, into any matters within its scope of responsibility and unrestricted access to Bank management, employees and documents.

It is empowered to:

- Appoint, compensate, retain and oversee the work of any registered public accounting firm, employed by the bank as its independent auditor⁶
- Engage independent counsel and other advisers, as it determines necessary to carry out its duties⁷.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all audit and non-audit services.

III. COMPOSITION

- The audit committee will consist of at least three members of the board of directors. The board or its nominating and corporate governance committee will appoint audit committee members, the audit committee chair, and a vice chair (to preside in the absence of the chair).
- Each committee member will be both independent and financially literate⁸.

At least two members shall be designated as the "financial expert," as defined by applicable legislation and regulation.

⁶ IA will report directly to the Audit Committee relative to auditing financial statements, or for performing other audit, review and attest services.

⁷ The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any advisors employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties

⁸ independence requirements of the Securities and Exchange Commission (the "SEC"), the Federal Deposit Insurance Corporation ("FDIC"), the Nasdaq Stock Market Rule 4350(d)(2)(A), Inc. ("Nasdaq") and any other applicable governmental or regulatory authorities

IV. MEETINGS

- The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require.
- All committee members are expected to attend each meeting, in person or via tele-conference.
- The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.
- It will hold private meetings with auditors (internal and external) and in executive sessions.
- Meeting agendas will be prepared and appropriate briefing materials provided in advance to members. Minutes will be prepared.

The Committee shall report its activities regularly and directly to the Board and shall make recommendations that the Committee deems advisable

V. RESPONSIBILITIES

The audit committee will carry out the following responsibilities:

Charter

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

Financial Statements - prior to filing Form 10Q, 10K, and Disclosures:

- Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental accounting areas, and recent professional and regulatory pronouncements to understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, material weaknesses and significant deficiencies, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release, and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters⁹ required to be communicated to the committee under generally accepted auditing standards, and the Public Company Accounting Standards Board pronouncements.

⁹ Regarding the audited financial statements, in accordance with the matters required to be discussed by Statement of Auditing Standards No. 114, the Committee will review and discuss with the independent auditor the auditor's judgments as to the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, the clarity of disclosures in the financial statements

HANMI BANK – CORPORATE GOVERNANCE – AUDIT COMMITTEE CHARTER

- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

Disclosures

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

Earnings Release

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

Internal Control

- Consult with management, the independent auditor, and CAE, to consider the effectiveness of the company's internal control system, including information technology security and control. (a) internal control systems, including IT security and control, (b) management risk assessment evaluation process including its ongoing monitoring and periodic reporting (c) audit department procedures and (d) disclosure controls and processes, and management reports thereon.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses (see disclosures above).

Internal Audit

The Bank's Internal Audit Department shall perform internal audit functions, including periodic third party limited scope reviews estimating the accuracy of management's loan grading, and shall report directly to the Committee.

- Approve the internal audit charter (and review annually)
- Approve decisions regarding the appointment and removal of the CAE

Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the CAE.

- Approve the annual internal audit plan, based on an annual risk assessment, and all major changes to the plan.
- Review periodically the internal audit activity's performance and progress, relative to its plan, including summaries of significant operational audits, third party loan reviews, and information deemed significant, in the judgment of the CAE.
- Review with the CAE the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- Review and approve¹⁰ the appointment, replacement, performance, and fees of any vendor retained to perform operational audits, or loan reviews.
- At least once per year, review the performance¹¹ of the CAE and concur with the annual compensation and salary adjustment.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the CAE to discuss any matters that the committee or internal audit believes should be discussed privately.

VI. Independent Auditors

Qualifications and Independence

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

¹⁰ Authorizes the Audit Chairman to approve internal audit expenses up to \$25,000, authorizes the CAE to sign engagement letters, on behalf of the Audit Chairman, upon receipt of written approval via email, and authorizes the CAE discretionary approval, up to \$10,000, to engage or extend engagements, reporting at the next regularly scheduled Audit Committee meeting.

¹¹ Audit Committee to perform an annual performance evaluation, with input from the CEO.

HANMI BANK – CORPORATE GOVERNANCE – AUDIT COMMITTEE CHARTER

- Prohibit the Company to engage, the independent auditor to provide any non-audit services prohibited under Section 10A of the Exchange Act (Section 10A of the Exchange Act currently prohibits (a) bookkeeping or other services related to the accounting records or financial statements of the audit client, (b) financial information systems design and implementation, (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (d) actuarial services, (e) internal audit outsourcing services, (f) management functions or human resources, (g) broker or dealer, investment adviser, or investment banking services, (h) legal services and expert services unrelated to the audit, and (i) any other service that the Public Company Accounting Oversight Board, which was established under Section 101 of the Sarbanes-Oxley Act of 2002, determines, by regulation, is impermissible.
- Evaluate annually the qualifications, performance and independence of the independent auditor. The Committee shall (a) receive written disclosures and a written statement from the independent auditor delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard 1, (b) discuss with the independent auditor any disclosed relationships or services that might impact the auditor's objectivity and independence and (c) take, or recommend that the Board take, appropriate action, if warranted, to maintain the independence of the outside auditor.
- Ensure that the independent auditor's lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit are rotated as required by law.
- The Committee shall insure that the Company maintains written hiring policies for current and former employees of the independent auditor in accordance with regulatory requirements including Section 10A of the Securities Exchange Act of 1934 as amended by Section 206 of the Sarbanes Oxley Act relating to Conflicts of Interest will report directly to the Audit Committee relative to auditing financial statements, or for performing other audit, review and attest services
- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non- audit services, and discussing the relationships with the auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

VII. Independent Auditor’s Audit

- Annually review and discuss with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 114, as amended: (a) its audit plans and audit procedures, including the scope, fees and timing of the audit; (b) the results of the annual audit examination and accompanying management letters; and (c) the results of the independent auditor’s procedures with respect to interim periods.
- Review and discuss reports from the independent auditor on (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Review the Company’s audited financial statements and recommend to the board that the audited statements be included in the company’s Annual Report.
- Inquire into any accounting adjustments that were noted or proposed by the independent auditor but were not recorded in the financial statements.

VIII. Compliance with Laws and Regulations

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations, management’s response, and monitor corrective action on major deficiencies noted.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel, at least annually, regarding compliance matters that could have a significant impact on the company’s financial statements, compliance with laws and regulations, and any inquiries received from regulators or governmental agencies.
- Review all “related party transactions” for potential conflicts of interest situations on an ongoing basis and have the authority to approve any such transactions. For purposes hereof, “related party transactions” shall mean any transaction required to be disclosed by the Company pursuant to SEC.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.

- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis, at least annually.

IX. Compliance with Laws and Regulations

- Regulation S-K, Item 404.

Oversee the provisions of, and any violations of the provisions of Section XII of the Company's Code of Business Conduct and Ethics.

- Maintain procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Such procedures shall include the Committee's responsibilities in response to any such complaints or submissions as set forth in the Company's Code of Business Conduct and Ethics.
- Undertake such additional activities within the scope of its primary function as the Board or the Committee may from time to time determine or as may otherwise be required by law, the Board or the Company's by-laws or charter.
- Acknowledge that the duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board of the Company. While the Committee has the responsibilities and powers set forth by this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate in accordance with generally accepted accounting principles. This is the responsibility of management.

X. Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

XI. Other Responsibilities

- Perform other activities related to this charter as requested by the board of directors.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.