

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

OVERVIEW

The Audit Committee (“Committee”) is a committee of the Board of Directors of Pacific City Financial Corporation and its banking subsidiary, Pacific City Bank (collectively, the “Company”). The Committee is charged with assisting the Board in overseeing the integrity of the Company’s financial statements, the Company’s compliance with legal and regulatory requirements (to the extent described herein), the independent auditor’s qualifications and independence, the performance of the Company’s internal audit function, the work of the independent auditor, and the systems of internal and disclosure controls which management and the Board of Directors have established.

COMPOSITION

The Committee is composed of no fewer than three members of the Board of Directors who meet the requirements of (i) NASDAQ’s corporate governance requirements (Section 5600 and following), (ii) the Securities and Exchange Commission (“SEC”) and (iii) Section 36 of the Federal Deposit Insurance Act and Part 363 of the FDIC Regulations. The Committee will comply with SEC and NASDAQ Rules for Audit Committee composition, including but not limited to, rules regarding the ability to read and understand fundamental financial statements and for Financial Experts (as defined by the SEC).

The Committee shall be appointed annually by the Board. Reappointment of members and the selection of the chairperson are at the discretion of the Board. The Board of Directors (or a committee delegated by the Board) shall yearly make the determination required by the first sentence of the preceding paragraph, including whether each director on the Committee is an “outside director” as defined in Section 363.5 of the FDIC’s Rules and is independent of management. The approved set of written criteria to make such determination of “independence” shall be NASDAQ Rule 5605(a)(2) as permitted by Section 28(c) of Appendix A of Part 363 of the FDIC’s Regulations. The minutes of the Board will contain the results of, and the basis for, its determinations with respect to each existing and potential Committee member.

No member of the Audit Committee, including the Chair, may simultaneously serve on the audit committee of more than two other corporations besides the Company, unless the Board of Directors determines that such simultaneous service would not impair the director’s ability to effectively serve on the Company’s Audit Committee and such determination is disclosed in the Company’s proxy statements relating to its annual meetings of shareholders.

MEETINGS

The Committee shall meet quarterly and as needed, and shall make regular reports to the Board on the Committee’s activities. The Committee will invite members of management, auditors and others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and executive sessions. The chairperson will approve the agenda for Committee meetings and any member may suggest items for consideration. Materials for the meeting will be provided to the Committee members as far in advance as practicable.

RESPONSIBILITIES

The function of the Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements. Management is responsible for maintaining appropriate accounting and financial reporting policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditor is responsible for planning and carrying out a proper audit of the Company's annual financial statements, reviews of the Company's quarterly financial statements prior to filing, and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or management. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

Each member of this Committee is entitled to rely on the integrity of those persons and organizations within and outside the Company from which it receives information, the accuracy of the financial and other information provided to this Committee by such persons or organizations absent actual knowledge to the contrary (which shall be reported promptly to the Board of Directors) and representations made by management as to any non-audit services provided by the independent auditor to the Company.

The Committee shall assure that it obtains, in its judgment, adequate funding from the Company to pay (i) the fees of the independent auditor for audit work and other services provided, (ii) the fees of any advisor to the Committee and (iii) ordinary and necessary expenses of the Committee necessary to carry out its duties.

Financial Statements

1. Review and discuss with management and the independent auditor (i) the annual audited financial statements, including disclosure made in management's discussion and analysis, (ii) recommend to the Board whether the audited financial statements should be included in the Company's 10-K and (iii) the basis for the reports issued pursuant to Part 363 of the FDIC's Regulations.
2. Review with management and the independent auditor the interim financial results, press releases and management certifications prior to their issuance and public filing.
3. Review with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 16 (Communication with Audit Committees), including the following:
 - The Company's annual financial statements and related notes.
 - The independent auditor's audit findings with respect to the financial statements and related reports.
 - Significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
 - Any significant changes from the independent auditor's approved audit plan.

- Any serious difficulties or disputes with management encountered during the course of the audit and management’s responses.
- All alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
- Other matters raised by the “required communications” from the independent auditor to the Committee under generally accepted auditing or other standards or regulations.
- The cost of the audit.

External Audit

4. Have the authority and responsibility for the appointment, compensation, retention, and oversight of the work of the independent auditor, or any other firm engaged by the Company for the purpose of preparing or issuing an audit or attestation report on financial information of the Company, including resolution of disagreements between management and the independent auditor regarding financial reporting. The Committee shall review and approve the overall scope of work and fee estimates for all audit services to be performed by the independent auditor. The Committee shall be responsible for preparing the recommendation for shareholder ratification of the independent auditor.
5. Receive from the independent auditor periodically a formal written statement delineating all relationships between the independent auditor and the Bank, consistent with Public Company Accounting Oversight Board (“PCAOB”) Rule 3526, or any successor or similar PCAOB rule. The Committee shall be responsible for actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the independent auditor.
6. Periodically confirm with the independent auditor that the firm and its personnel meet all legal and professional requirements for independence, including those set forth in Section 363.3(f) and (g) and Sections 13-16 of Appendix A of Part 363 of the FDIC’s Regulations.
7. Review and approve, in advance, any non-audit services proposed to be performed by the independent auditor and whether the provision of such services is compatible with the independent auditor’s independence.
8. Ensure that audit engagement letters comply with the provisions of Section 363.5(c) of the FDIC’s Regulations before engaging an independent auditor.
9. On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

Internal Control

10. Discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company’s major financial risk exposures and the steps management has taken to control them.

11. Review with the management, the independent auditor and the Audit Manager on an annual basis their assessments of the effectiveness of internal controls over financial reporting, and the resolution of identified material weaknesses and significant deficiencies in internal controls over financial reporting, including the prevention or detection of management override or compromise of the internal control system.

Internal Audit

12. Review and oversee the activities of the Company's internal audit function including:
 - Approve the internal audit charter.
 - Review and oversee the plans, activities (including the results of all internal audit work performed), staffing, the use of third party firms and consultants and organizational structure of the internal audit function.
 - Appoint all third-party internal audit service providers that may be engaged to assist the internal audit function as well as review and oversee their activities. At least every three years, obtain minimum of two vendor proposals from third-party internal audit service providers for review and comparison.
 - Establish alternative arrangements for third-party internal audit firms in contingency events. The Company needs to prepare for potential sudden termination or change in third-party internal audit firms to ensure overall audit coverage is maintained.
 - Ensure there are no unjustified restrictions or limitations placed on the work of the Internal Audit Manager.
 - Manage the appointment, replacement, or dismissal of the Internal Audit Manager.
 - Review and assess 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 Internal Audit Manager to discuss any matters that the Committee or Internal Audit Manager believes should be discussed privately.

Compliance

13. Review reports of regulatory audits and management's corrective actions, as applicable.
14. Establish and oversee procedures that facilitate and encourage an appropriate corporate tone for the receipt of confidential and anonymous submissions, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters. Monitor the performance of the Company's whistleblower system.
15. Assure compliance with the Company's Code of Ethical Conduct.

Other Responsibilities

16. Perform a review and evaluation, at least annually, of the performance of the Committee. The Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to the Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such a manner as it deems appropriate.

17. Assure compliance with the notice requirements of Section 363.4(d) of the FDIC's Regulations and Section 20 of Appendix A of Part 363 of the FDIC's Regulations regarding the selection, change or termination of the independent auditor.
18. Review all related party transactions to which the Company is a party and recommend appropriate action to the Board. "Related party transactions" refers to those transactions the disclosure of which is required pursuant to SEC Regulation S-K, Item 404.
19. Perform such other functions as may be assigned by regulation, the Company's bylaws or the Board of Directors.
20. Have the authority to conduct or authorize investigations into any matters within the scope of the Committee's responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigations. The Committee may request any officer or employee of the Company or the Company's subsidiaries or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Approved August 9, 2018