

Pacific City Financial Corporation Compensation Committee Charter

I. Purpose

The Compensation Committee (the “Committee”) has primary responsibility for ensuring that compensation and benefits policies and programs for senior management and the Board of Directors (the “Board”) of Pacific City Financial Corporation and its banking subsidiary, Pacific City Bank (collectively, the “Company”) comply with applicable law and any listing requirements of any exchange on which the Company’s securities are traded, and are devised and maintained to provide and retain for the Company a high level of executive management and corporate governance competence.

When and as required by the NASDAQ corporate governance standards, the Company shall certify to NASDAQ that it has adopted this formal, written compensation charter.

II. Duties

1. Establish the Company’s overall compensation philosophy and determine the compensation of the CEO and all other executive officers (as hereinafter defined);
2. Review industry compensation practices and the Company’s relative competitive compensation positioning with respect to executive officer compensation;
3. Prepare the required compensation committee report, the compensation discussion and analysis, or any comparable successor sections, to be included in the annual proxy statement to shareholders and review the summary compensation table, “say on pay” provisions, if any, and other compensation disclosures in the proxy statement;
4. Consider in its sole discretion, recommendations from management and opinions of outside advisors;
5. Periodically review the Company’s compensation, perquisite and benefits arrangements and equity-based and incentive bonus plans and recommend to the Board for approval material changes thereto or adoption of other material employee benefit, bonus, severance and other compensation plans (unless the Board has delegated such approval authority to the committee);
6. Administer the incentive bonus plans in which the executive officers participate and equity-based compensation plans that may be adopted by the Company from time to time, including, without limitation, the determination of the persons who are to receive awards and the terms of such awards;
7. Periodically review the compensation structure for the Board of Directors. In addition, annually review the compensation of the Board of Directors and recommend such compensation to the Board for approval;

8. Review major organizational and staffing matters. On an annual basis, meet with management regarding material changes made to the Bank's personnel.
9. Assist the Board in developing succession plans for the positions of CEO and other executive officers. Responsibilities could include a search for candidates, evaluation of potential successors, and making recommendations to the Board.
10. Perform such other functions and have such other powers as may be necessary or convenient to the efficient discharge of its duties hereunder or as may be assigned by the Board from time to time.
11. Annually review and assess the adequacy of this charter and recommend any proposed changes to the Board for their approval.

III. Powers and Approval Authority

1. The committee will review and approve:
 - a. All aspects of direct, indirect and total compensation paid to the Company's chief executive officer, the Company's executive officers and any other officer subject to Rule 16a-1 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") or Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") (collectively, the "executive officers").
 - b. The terms of management incentive compensation plans proposed by the Board.
 - c. The selection of companies to be utilized as a "peer group" for use as "comparables" in making competitive compensation, benefits, and equity participation comparison decisions.
2. The committee will review the performance and compensation of the CEO and each of the Company's other executive officers (as defined above), at least annually, and consider the CEO's evaluation of the other executive officers. The CEO may not be present during voting or deliberations by the committee on his or her compensation.
3. The committee will review and, to the extent appropriate, approve for current executive officers and any prospective executive officers any employment, severance or similar agreement or arrangement proposed to be provided to such persons; provided, however, that the committee will review, and to the extent appropriate, approve all change in control agreements or arrangements of the Company (whether for executive officers or other personnel).
4. The committee will strive to assure that the incentive compensation arrangements at the company are consistent with safety and soundness requirements, including (i) providing employee incentives that do not encourage excessive risk-taking beyond the company's ability to effectively identify and manage risk; (ii) striving for compatibility between incentive compensation arrangements and effective controls and risk management; and (iii) providing active oversight of incentive compensation by the committee and the board. "Incentive compensation" refers to that portion of the employee's current or potential compensation that is tied to achievement of one or more specific metrics.

5. Subject to the limitations below, the committee has the power and direct responsibility to retain and terminate advisors, including compensation consultants, attorneys, and other advisors (collectively, “advisors”), in its sole discretion, to be used to assist the committee in its duties hereunder. The power to retain advisors specifically includes authority to approve and pay such advisors, and the Company shall provide appropriate funding therefor. Additionally, the committee may only select an advisor after taking into consideration the factors identified below (and any further or revised factors adopted by NASDAQ for such purposes) that may affect an advisor’s independence to the committee:
 - a. The provision of other services to the Company by the company or firm (“Advisor’s Employer”) that employs the specific Advisor the committee is considering;
 - b. The amount of fees received from the Company by the Advisor, or Advisor’s Employer, as a percentage of the total revenue of the Advisor or the Advisor’s Employer, as the case may be;
 - c. The policies and procedures of the Advisor or Advisor’s Employer that are designed to prevent conflicts of interest;
 - d. Any business or personal relationship of the Advisor with a member of the committee;
 - e. Any stock of the Company owned by the Advisor; and
 - f. Any business or personal relationship of the Advisor with an executive officer of the Company.

IV. Committee Composition and Procedural Matters

1. Subject to the standards required by NASDAQ’s corporate governance requirements (Rule 5600 and following) the committee will be comprised of solely independent directors of the Board, as determined by the Board. Each member of the committee shall qualify as an independent director as defined in NASDAQ Rule 5605(a)(2) and shall not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary. The “affiliate” status of a proposed member shall also be considered in making an eligibility determination. The Compensation Committee shall consist of no fewer than three members of the Board.
2. The members of the committee will be appointed from time to time by the Board. Committee members may be removed from the committee, with or without cause, by the Board. The Board must determine on a yearly basis that each Committee member does not have a relationship with the Company that would interfere with the director’s exercise of independent judgment.
3. The committee may recommend to the Board for approval a committee member to act in a leadership (chair) capacity to ensure administrative efficiency and proper committee processes and functioning.
4. The committee shall exercise its powers in accordance with the Company’s bylaws and applicable law, provided that no action of the committee shall be valid unless taken pursuant

to a resolution adopted and approved by at least a majority of the authorized members of the committee.

5. The Committee may form subcommittees and delegate authority to its Chairman or to subcommittees (or may authorize Company officers to perform certain functions on its behalf) in each case, when appropriate (taking into account, among other things, considerations under Section 162(m) of the Code and Rule 16b-3 under the Exchange Act) and except to the extent such powers, authorities or functions are required by law to be exercised by the whole Committee or by a subcommittee of at least two members (and except as may otherwise be required from time to time to comply with applicable law).
6. The committee will meet on a regular basis and may call special meetings as required. Meetings may be called by telephone, e-mail or in writing, by the Chair or by any Committee member, provided that at least 3 hours prior notice is given to each Committee member.
7. The committee will keep a record of its meetings and report to the Board, as appropriate. The agenda, appropriate minutes, documentation, reports and recommendations will be in writing and submitted to the board at its next regular meeting and filed with the board's books and records.
8. Action may be taken by the Committee with approval of a majority of the authorized Committee members, or by telephone call or internet where all participants can speak and hear each other, or by unanimous written consent.