



Compliance and Community Reinvestment Act Committee Charter

1. Purpose

The Compliance and Community Reinvestment Act (CRA) Committee of Bank of the Pacific ("Bank") is appointed by the Board Chairman to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the Bank's compliance with various regulations including CRA.

The Committee has the authority to conduct investigations appropriate to fulfilling its responsibilities. The Committee has the ability to retain, at the Bank's expense, special legal, accounting or other consulting experts it deems necessary in the performance of its duties.

II. Composition and Meetings

The Committee shall be comprised of three or more Directors including a Chairman as determined by the Board Chairman. Key staff members shall be comprised of the Risk & Compliance Manager, CRA & Compliance Officer, CFO and CEO.

The Committee shall meet at least three times per year, with the authority to convene additional meetings as circumstances require. The Committee will invite members of the Board, management, auditors, or others to attend meetings and provide pertinent information, as necessary. The Committee shall fix its own rules of procedure which shall be consistent with the Bank's By-Laws and this Charter.

III. Responsibilities and Duties

Compliance

1. Establish and provide for a strong "tone at the top" regarding the Bank's commitment to a culture of compliance and communicating such commitment throughout the Bank.
2. Provide general oversight over all compliance related activities, including implementation, training, monitoring and audit activities as they relate to consumer protection laws and regulations.
3. Review and reassess the adequacy of this Charter at least annually to ensure it meets the requirements of regulators and the Bank and recommend changes when necessary.

4. Review the effectiveness of the system for monitoring compliance with laws, regulations, and internal policies as well as the results of management's investigation and actions take in instances of noncompliance.
5. Receive and review the reports of examination of the Bank by regulatory authorities concerning compliance, consider the responses of management with respect thereto, and render a report to the Board with respect thereto.
6. Receive periodic updates on the findings of examination by regulatory agencies and auditor's findings, recommendations relating to compliance.
7. Obtain regular updates/reports from management regarding compliance matters, including management Compliance/CRA Committee minutes and activities.
8. Review mandated regulatory compliance reports that must be presented on a periodic basis including annual information security reports, Security Officer reports, annual identity theft red flag program report, and risk assessments relating to compliance management.
9. Review compliance training schedule/curriculum and related performance reports to ensure Bank staff and management has received adequate training in support of the Bank's Compliance Management System.
10. Review results of all internal compliance monitoring activities conducted by the Compliance Department.
11. Review progress of all compliance related implementation activities pertaining to new regulations or changes to existing regulations.
12. Provide sufficient resources to the compliance function of the Bank to ensure adequate coverage and knowledge base is retained.
13. Receive status reports on the regulatory environment from Compliance Manager to ensure the Board is apprised of the Bank's compliance risks.
14. Maintain minutes of meetings and periodically report to the Board of Directors on significant results of compliance activities.
15. Perform any other activities consistent with this Charter and governing laws as the Board of Directors may specifically delegate to this Committee.

Community Reinvestment Act

16. Review of the Bank's :
 - a. Overall policy and goals concerning CRA activities.

- b. Compliance with CRA laws, rules and regulations.
 - c. Assessment area, on a periodic basis, to ensure that low-to-moderate income neighborhoods are not arbitrarily excluded.
17. Review and monitor the Bank's CRA:
- a. Performance in helping to meet the credit needs of all the communities the Bank serves.
 - b. Investment and service performance.
 - c. Outreach and marketing efforts.
 - d. Community development performance.
 - e. Comments from the public on the Bank's record in meeting its obligations under CRA.