

## **Corporate Governance Guidelines**

The Board of Directors (the “Board”) of First Republic Bank (the “Company”) has adopted these Corporate Governance Guidelines to assist in the following corporate practices that serve the best interests of the Company and its shareholders. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. These guidelines should be interpreted in the context of all applicable laws, rules, regulations, listing standards, the Company’s charter documents and other governing documents.

### **Director Qualification Standards**

The Corporate Governance and Nominating Committee will review with the Board each year the personal characteristics and professional competencies required of Board members so they will work together as a team to oversee the Company’s strategies and operations. The Corporate Governance and Nominating Committee is responsible for recommending to the Board the nominees for election to the Company’s Board at the annual meeting of shareholders and for filling vacancies occurring between annual meetings of shareholders. If the Board submits a candidate to the Corporate Governance and Nominating Committee, the Corporate Governance and Nominating Committee will review the candidate’s qualifications and report to the Board whether the candidate appears to possess the characteristics mentioned below, and whether the Corporate Governance and Nominating Committee recommends that the candidate be added to the Board. The Corporate Governance and Nominating Committee has adopted procedures for considering candidates proposed by shareholders and will evaluate such candidates in the same manner as other candidates identified by or submitted to the Corporate Governance and Nominating Committee.

A director should have the following characteristics:

- Ability to comprehend the strategic goals of the Company and to help guide the Company towards the accomplishment of those goals;
- A history of conducting his or her personal and professional affairs with the utmost integrity and observing the highest standards of values, character and ethics;
- Time availability for in-person participation and to be present at annual meetings of shareholders as requested from time to time by the Chairman of the Board;
- Willingness to demand that the Company’s officers and employees insist upon honest and ethical conduct throughout the Company;
- Knowledge of, and experience with regard to, at least some of: (a) banking, real estate properties, loans and securities, including any lending and financing activities related thereto; (b) public company regulations imposed by the Securities and Exchange Commission (“SEC”) and the New York Stock Exchange, Inc. (“NYSE”), amongst others; (c) portfolio and risk management; (d) the major geographic locations within which the Company operates; (e) sound business practices; and (f) accounting and financial reporting; and
- If applicable, ability to satisfy the criteria for independence established by the SEC and the NYSE, as they may be amended from time to time.

The Board must also have at least three members who are financially literate, two of which must have banking or related management experience and one of which must be a financial expert, under criteria imposed by the Company’s regulators, as they may be amended from time to time.

The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, and diversity of perspectives and experience. In evaluating director candidates for recommendation to the Board, the Corporate Governance and Nominating Committee should consider, among other factors, business experience, the candidate's range of experiences with public companies and cultural and gender diversity.

**The Corporate Governance and Nominating Committee (which is composed entirely of independent directors) is committed to the principles of Equal Employment Opportunity and does not discriminate against qualified candidates because of race, color, religion, sex, pregnancy, childbirth, sexual orientation, gender identification, national origin, ancestry, age, marital status, physical or mental disability, medical condition, genetic information, citizenship status, veteran status, or any other legally protected category, in accordance with applicable federal, state and local law.**

- A majority of the directors must be independent.

A director will not be "independent"

- (i) unless the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company),
- (ii) if the director is an employee, or an immediate family member is an executive officer (as defined by NYSE rules for listed companies), of the Company, until three years after the end of the employment relationship,
- (iii) if the director is employed, or an immediate family member is employed, as an executive officer of another company where any of the Company's present executive officers at the same time serve on that company's compensation committee, until three years after the end of such service or the employment relationship,
- (iv) if (A) the director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time,
- (v) if the director receives, or an immediate family member receives, more than \$120,000 per 12-month period in direct compensation from the Company, other than director or committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), until three years after he or she ceases to receive more than \$120,000 per 12-month period in compensation, or
- (vi) if the director is an executive officer or an employee, or an immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, until three years after falling below such threshold.

In addition, in affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to:

- (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

### **Board Leadership**

The Board is free to select its Chairman and the Company's Chief Executive Officer ("CEO") in the manner it considers in the best interests of the Company at any given point in time. These positions may be filled by one individual or by two different individuals.

At any time when the positions of Chairman and CEO are filled by one individual, the independent directors shall designate from among themselves a lead director, who shall have the following powers and duties:

- presiding at all meetings of the Board at which the Chairman and CEO is not present;
- presiding at executive sessions of the independent directors;
- serving as a liaison between the Chairman and CEO and the independent directors, as appropriate;
- having the authority to call meetings of the independent directors; and
- being available for consultation and direct communication with shareholders, as appropriate.

### **Director Responsibilities**

- The directors will direct the management of the business and affairs of the Company in accordance with California and other applicable law.
- Each director will attend substantially all the meetings of the Board and substantially all the meetings of each committee on which the director serves.
- Each director will review, before attending meetings of the Board or committees, the materials provided by the Company relating to matters to be considered at the meetings.
- The non-management directors will meet at least twice a year without the presence of any directors or other persons who are part of the Company's management and, to the extent any non-management director is not independent, the independent directors will meet at least once a year in executive session.

## **Director Compensation**

In evaluating and recommending to the full Board for approval the compensation to be paid to directors who are not employees of the Company for serving on the Board and on committees, the Compensation Committee will consider any or all of the following:

- The compensation that is paid to directors of other companies which are comparable in size to the Company;
- The amount of time it is likely directors will be required to devote to preparing for and attending meetings of the Board and the committees on which they serve;
- The success of the Company (which may be reflected in stock options, restricted stock awards or other compensation related to the price of the Company's shares);
- If a committee on which a director serves undertakes a special assignment, the importance of that special assignment to the Company and its shareholders; and
- The risks involved in serving as a director and a member of Board committees.

Management directors will not be paid for Board membership in addition to their regular employee compensation.

## **Executive Compensation**

- The Board, through the Compensation Committee, will evaluate and approve compensation plans and employment contracts that are applicable to, and corporate goals and objectives that are relevant to, the compensation of executive management, including the CEO.

## **Director Orientation and Continuing Education**

- The Company will make available to each new director an opportunity to discuss the Company and its business with senior executives and inform each new director of Company policies which affect directors, including these Corporate Governance Guidelines.
- The Company will make available to directors, at the Company's cost, professionally conducted programs regarding director responsibilities and other matters related to service on the Board.

## **Management Succession**

- As part of their role in directing the management of the business and affairs of the Company, the directors will be responsible for (a) ensuring that the Company's management has the capabilities to cause the Company to operate in an efficient and businesslike fashion, and (b) reviewing the qualifications of persons proposed as additional members of the Company's senior executive management or replacements for members of the Company's senior executive management.
- If there is a vacancy in a senior executive management position, other than that of CEO, the Board will receive and review the recommendation of the CEO for filling that vacancy.

- If it is anticipated that the CEO will leave the Company at a specified future date, the Board will ensure that the process of selecting a successor CEO will take place in a manner that is likely to create a smooth transition between chief executive officers.
- If there is an unanticipated departure of the CEO, the Board will oversee (a) selection of a temporary CEO to serve until a permanent replacement is selected, and (b) selection of the permanent replacement for the CEO.

### **Retirement Policy**

- The Company's policy on retirement of Board members is provided for in Section 2.1 of the Company's bylaws.

### **Service on Other For-Profit Boards**

- From time-to-time, members of the Board or "executive officers" as defined in Rule 3b-7 of the Securities Exchange Act of 1934 ("Executive Officers") may be invited to serve on the board of directors of other for-profit companies. To ensure that members of the Board and Executive Officers have the time and resources to commit to the Company and the Board, directors and Executive Officers are encouraged to evaluate carefully the time required to serve on other boards of directors of other for-profit companies, taking into account the effect their service on such other boards of directors on their attendance, preparation, participation and effectiveness on their position at the Company or on the Company's Board. Their service on other boards of directors of for-profit companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all duties as a director or Executive Officer of the Company and such other for-profit company should not be in a business competitive with the Company. As such, (i) non-employee directors may not serve on more than four for-profit company boards, including the Company and (ii) directors that are also employees of the Company may not serve on more than two for-profit company boards, including the Company. In addition, any other Executive Officers may not serve on more than one for-profit company board and must receive prior approval of the CEO and, as set forth below, the Corporate Governance and Nominating Committee.
- Directors and Executive Officers should advise the General Counsel of the Company and the chairperson of the Corporate Governance and Nominating Committee before accepting a membership on other boards of directors of for-profit companies or accepting membership on any audit committee or other significant committee assignment on any other board of directors of for-profit companies. The Corporate Governance and Nominating Committee shall approve any for-profit board service by members of the Board and Executive Officers and can create an exception if it determines that so serving will not impair the director's or Executive Officer's service to the Company. Certain limitations that apply to a Board member who holds a position on the Audit Committee may be found in the Company's Audit Committee Charter. Company directors must also comply with the restrictions set forth in the Depository Institution Management Interlocks Act.

### **Service on Non-Profit Boards**

- Service by members of the Board or Executive Officers on the board of directors of non-profit entities is permitted to the extent there are no conflicts of interest and that members of the Board or Executive Officers have the time and resources to commit to the Company and the Board, as appropriate. Directors and Executive Officers are encouraged to evaluate carefully the time required to serve on

other boards of directors of non-profit entities, taking into account the effect their service on such other boards of directors on their attendance, preparation, participation and effectiveness on their position at the Company or on the Company's Board.

### **Other Outside Activities**

- Members of the Board and Executive Officers should advise the General Counsel of the Company and the chairperson of the Corporate Governance and Nominating Committee before establishing or materially changing significant relationships with governmental units or regulatory entities.

### **Related Transactions**

Reference is hereby made to the Bank's Related-Person Transactions policy (CP-6) and the Code of Ethics and Corporate Conduct which require review and approval by the Corporate Governance and Nominating Committee of transactions described therein, which may include transactions between the Company and an entity with a Director or Executive Officer serving on the board of directors.

### **Annual Performance Evaluation of the Board**

- The Corporate Governance and Nominating Committee shall recommend a process to the Board for, and the Board, acting through the Corporate Governance and Nominating Committee, will conduct, an annual self-evaluation to determine whether it and its committees are functioning effectively. Each committee of the Board will also perform such evaluation if so required by its committee charter.

### **Access to the Non-Management Directors**

- The Company shall maintain policies to ensure access to non-management directors by shareholders, employees and other interested persons of concerns regarding (a) the Company's operations, (b) the Company's financial reporting, (c) the Company's business integrity or (d) any other matter related to the Company.

### **Director Access to Management and Independent Advisors**

Directors will have access to management and to the Company's independent advisors, in order to keep themselves fully informed of the Company's affairs and to enable them to make sound business judgments.

### **Authority to Retain Advisors; Reliance on Management and Outside Advice**

- The Board and each of its committees shall have the authority, at the Company's expense, to retain and terminate independent advisors, including without limitation, legal counsel, accounting, investment banking and other experts or consultants, as the Board and any such committee deems necessary or appropriate.
- In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management and independent advisors and shall have the authority to approve the fees and retention terms of its independent advisors.

### **Review of Corporate Governance Guidelines**

- The Corporate Governance and Nominating Committee shall review these Corporate Governance Guidelines at least annually and report to the Board with any recommendations it may have in connection with these Corporate Governance Guidelines.