



Corporate Governance Guidelines

INTRODUCTION

The mission of Eagle Bancorp, Inc. and its subsidiaries (collectively, the “Company”) is to create a strong, sound, and profitable banking company with long-term growth and value for its shareholders consistent with strong risk management processes and a commitment to customers and the community. The Company has long been committed to the highest standards of corporate governance. To achieve its mission, the Company has adopted certain corporate values to provide the foundation for the Company’s corporate culture and to promote the highest ethical conduct among its directors, officers, and employees.

Shareholders elect the Board of Directors of Eagle Bancorp, Inc. (the “Board”) to oversee and advise management in the conduct of the Company’s affairs and business. In this regard, the Board continuously promotes an environment that is conducive to sound corporate governance, including periodic review, refinement, and approval of these Corporate Governance Guidelines and the Codes of Conduct for directors, officers, and employees, and development of Board committees designed to accomplish the Board’s oversight and advisory responsibilities.

DIRECTOR NOMINATION AND QUALIFICATION

Annual Director Election. The Governance and Nominating Committee shall recommend director nominees to the Board at least annually for election by Company shareholders. Shareholders may submit the names and qualifications of potential director nominees by written communication addressed and delivered to the Corporate Secretary for delivery to the Chairperson of the Governance and Nominating Committee for consideration. If a shareholder desires to propose a director nominee for an upcoming annual meeting of shareholders, the shareholder must give written notice of the nomination in accordance with the Company Bylaws and prior to the deadline for receipt of nominations for inclusion in the Company’s proxy statement.

The Governance and Nominating Committee conducts an extensive due diligence process to review potential director candidates and their individual qualifications, and all such candidates, including those submitted by shareholders, will be similarly evaluated by the Governance and Nominating Committee using the Board Membership Criteria described below.

Board Membership Criteria. The Board has not developed a formal policy for the identification or evaluation of nominees. In general, when the Board determines that expansion of the Board or replacement of a director is necessary or appropriate, the Governance and Nominating Committee will review, through candidate interviews with members of the Board and management, consultation with the candidate’s associates and through other means, a candidate’s honesty, integrity, reputation in and commitment to the community, judgment, personality and thinking style, willingness to participate in the governance of the Company, residence, market knowledge, willingness to devote the necessary time, potential conflicts of interest, independence,



Corporate Governance Guidelines

understanding of financial statements and issues, and the willingness and ability to engage in meaningful and constructive discussion regarding Company issues. Before their appointment or election to the Board, director nominees are also required to complete the Company's Nasdaq-administered Directors and Officers (D&O) Questionnaire prior to their appointment or election to the Board; Director nominees submit via their D&O Questionnaire information regarding, among other topics, past work experience, potential conflicts of interest, securities ownership, and independence.

The Governance and Nominating Committee also reviews any special expertise, for example, expertise that qualifies a person as an audit committee financial expert, and membership or influence in a particular geographic or business target market, expertise in technology and/or cybersecurity, or other relevant business experience. The Board and the Governance and Nominating Committee have not established a specific diversity component in their consideration of candidates for director but strongly recognize the benefits of having directors with varied backgrounds and perspectives.

The Governance and Nominating Committee will consider director candidates nominated by shareholders during such times as the Company is actively considering obtaining new directors, on the same basis as candidates proposed by the Governance and Nominating Committee, the Board or other sources.

Director Resignation Policy. In an uncontested election of directors at which a quorum is present, any incumbent director who fails to receive more votes in favor of the director's election than withheld from the director's election shall tender his or her resignation to the Board, via the Chairperson of the Governance and Nominating Committee. A director whose resignation is under consideration shall abstain from participating in any recommendation or decision regarding that resignation. The Governance and Nominating Committee shall make a recommendation to the Board whether to accept, reject, or otherwise act with respect to the tendered resignation. In making their recommendations and decisions, the Governance and Nominating Committee and the Board may consider any factor or other information that any of the directors deem relevant. The Board shall act on the tendered resignation, taking into account the Governance and Nominating Committee's recommendation, and shall publicly disclose its decision regarding the resignation within one hundred twenty (120) days after the results of the election are certified. If the resignation is not accepted, the director shall continue to serve until the next annual meeting of shareholders and until the director's successor is elected and qualified, or until his or her earlier resignation or removal.

Director Independence. A majority of the Board shall be comprised of directors who meet the independence requirements of NASDAQ and applicable law. Members of the Audit and Compensation Committees shall meet the director independence requirements of NASDAQ and



Corporate Governance Guidelines

applicable law. Members of the Governance and Nominating Committee shall also meet applicable NASDAQ rules and other applicable laws.

Stock Ownership for Directors and Section 16 Officers. In accordance with the Share Ownership Policy, each non-employee Company director shall maintain ownership of shares of Eagle Bancorp Common Stock with a market value approximately equal to at least three times the director's average annual cash retainer paid by the Company for such Company director's services.

The CEO is required to maintain ownership of at least three times his or her base salary or annual retainer, as the case may be, while all other Section 16 Officers are required to maintain ownership of at least two times their base salary.

All persons subject to these share ownership requirements will be expected to meet this ownership requirement after five years following their election or appointment.

Changes to a Director's Current Job Responsibilities or Position. A director must disclose in writing and in advance to the Chairperson of the Governance and Nominating Committee his or her intent to change his or her principal employment activity, as well as any intent to serve as a new director, officer or employee of any publicly traded business or enterprise; provided that, where advance notice is not possible, a director shall provide notice as soon as practicable regarding any such change. The Board and the Governance and Nominating Committee may review any such change and determine the appropriateness of the director's continued membership on the Board.

Service by Directors on Other Boards. A director shall advise the Chairperson of the Governance and Nominating Committee in advance of accepting an invitation to serve on another public or private company board. The Governance and Nominating Committee shall review whether such board membership may unduly impact the ability of the director to fulfill his or her responsibilities as a director of the Company and, if it would, shall make a recommendation to the Board.

SHAREHOLDER OR INTERESTED PARTY COMMUNICATIONS WITH THE BOARD

Any shareholder or interested party desiring to contact the Board, or any individual director serving on the Board, may do so by written communication mailed to: Board of Directors (Attn: (name of director(s))), if intended for a specific director or less than the full Board), c/o Corporate Secretary, Eagle Bancorp, Inc., 7500 Old Georgetown Road, Bethesda, Maryland 20814. Any proper communication so received will be processed by the Corporate Secretary as agent for the Board or individually named director(s), and a summary of the communication will be delivered to the Governance and Nominating Committee and full Board, including management directors, for review in accordance with procedures unanimously approved by the non-management directors of



Corporate Governance Guidelines

the Board. The Corporate Secretary may elect not to forward summaries or copies of communications that the Corporate Secretary believes are business solicitations, resumes, abusive, frivolous, or similarly inappropriate material. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board and request copies of any such correspondence. Any director may request the Corporate Secretary to produce for his or her review the original of the communication or a copy thereof.

BOARD RESPONSIBILITIES

The primary functions of the Board include the following:

- Act in the best interests of the Company and its shareholders, and set a climate of corporate trust, integrity, confidence, and overall transparency. In discharging these responsibilities, the Board reasonably relies on the expertise, honesty, and integrity of the Company's Executive Management, other senior officers, the internal audit function, the independent accountants, and outside advisors and consultants.
- Oversee the direction and management of the Company.
- Establish and periodically review, update, and amend corporate governance guidelines to include monitoring of adherence to the governance requirements.
- Establish and periodically review, update, and amend codes of conduct and other appropriate policies for directors, officers, and employees.
- Review and approve business strategies to enhance long-term shareholder value and address significant corporate social responsibility issues.
- Oversee internal control systems and processes, financial reporting, and public disclosure of information.
- Oversee and evaluate management's implementation of, and compliance with, the Company's risk management policies.
- Monitor corporate performance on an on-going basis against the budget and the performance of peer companies.
- Periodically review the CEO's performance and annually approve his or her compensation, and other senior management as determined by the Board.
- Conduct management succession planning and review.



Corporate Governance Guidelines

- Conduct periodic self-evaluations to determine whether the Board and its committees are functioning effectively.

Board Attributes. The Company and the Board strive for excellence and, as such, will seek to exhibit these attributes:

1. Set clear, aligned, and consistent direction;
2. Actively manage information flow and board discussions;
3. Hold senior management accountable;
4. Support the independence and stature of independent risk management and internal audit; and
5. Maintain a capable board composition and governance structure.

Selection of the Chairperson. The Board believes that it is in the best interest of the shareholders that it retains maximum flexibility regarding the leadership structure of the Company in order to determine what will work best for the Company given the facts and circumstances from time to time. The Board believes that the roles of the Chairperson and the CEO can be combined or separated and that the Chairperson can be either independent or an executive director.

Selection of the Vice Chairperson. In addition to the Chairperson, the Board may elect to appoint a second director to the position of Vice Chairperson of the Board. The Vice Chairperson may generally assist the Chairperson, at the Chairperson's request, and coordinate with the Chairperson on sensitive matters of consideration by the Board; he or she shall also chair Board meetings in case of the Chairperson's inability or absence. Pursuant to the Company's Bylaws, the Vice Chairperson shall also chair every meeting of shareholders in the case of a vacancy in the office or absence of the Chairperson.

Selection of a Lead Independent Director. In the event that the Chairperson is not independent, the Board will appoint a Lead Independent Director with the following responsibilities:

- Serve as an independent sounding board on the development and presentation of significant issues, plans and strategies for Board consideration with the Chairperson;
- Preside at all meetings of the Board at which the Chairperson is not present;
- Call and preside at all meetings and executive sessions of independent directors;
- Develop and approve meeting agendas and approve materials for meetings of independent directors;
- Serve as a conduit of views, concerns and issues between the Chairperson and the independent directors;
- Be available for consultation and direct communication upon the reasonable request of major shareholders; and



Corporate Governance Guidelines

- Perform such other duties as the Board may from time to time delegate or assign to assist the Board in the fulfillment of its responsibilities.

Selection of the Chief Executive Officer. It is the responsibility of the Board to select the Company's CEO and to ensure succession plans in the event that he or she is unable to continue his or her responsibilities due to death, disability, or other event.

Attendance at and Participation in Meetings. In order to effectively fulfill their primary responsibilities, directors are expected to attend the annual meeting of shareholders and all Board meetings and meetings of committees on which they serve. Each director should be sufficiently familiar with the business of the Company, including its strategy, financial statements, capital structure, business risks, and competition, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves.

Meeting Agendas. The Chairperson of the Board establishes the agenda for, and presides over, each Board meeting. In the case of a vacancy in the office, or absence of the Chairperson, the Vice Chairperson shall perform such duties. Each director is free to suggest the inclusion of items for the agenda and to raise subjects that are not on the agenda during any meeting. Information and data that are important to directors' understanding of the business to be conducted at a Board or committee meeting, to the extent that it is practical, shall be distributed to directors for review prior to the meeting. Directors are expected to review in advance all relevant meeting materials provided.

The Corporate Secretary maintains a list of recurring agenda items and the timing of such agenda items throughout the year, as well as departmental requests for the presentation of matters to the Board. These items are placed on the agenda and reviewed by Executive Management for additions, deletions, and revisions.

Executive Sessions. Non-management directors shall meet in an executive session following regularly scheduled meetings of the Board and at such other times as they deem necessary or desirable. The Chairperson—or, if the Chairperson is not independent, the Lead Independent Director—shall confer with the CEO promptly following the executive sessions to convey the substance of the discussions held during those sessions, as appropriate and subject to any limitations specified during the sessions.

Directors Representing the Company. Executive Management and/or its designees speak for the Company. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that a director will do this only with the knowledge of and at the request of Executive Management. It is imperative to maintaining compliance with federal disclosure requirements that directors refer all



Corporate Governance Guidelines

inquiries from the press, institutional investors, and others to Executive Management or its designees for response in conformity with the Company's disclosure policies.

Confidentiality of Board Information. Information about the Company, including information about the Company's current and prospective customers, employees, consultants, suppliers, vendors, and others with whom the Company has contact and business dealings, that has not been released to the public is confidential and must be protected at all times, except when disclosure of such information is otherwise authorized or is legally mandated to be disclosed. All confidential information must be used by directors only for legitimate business purposes that further the interests of the Company and never for personal gain or benefit. Confidential information should only be discussed by directors with those persons who have a need to know the information to perform their duties and responsibilities on behalf of the Company. Refer to the Business Conduct, Ethics and Conflicts of Interest Policy and the Insider Trading Policy.

Director Access to Management and Independent Advisors. The Board or any committee of the Board shall have full and free access to all officers and employees of the Company and its independent advisors. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, inform the CEO of any such communications between a director and an officer or employee or an independent advisor.

The Board welcomes and encourages members of Executive Management to attend Board meetings and to bring managers into Board meetings who can provide additional insight and expertise with respect to matters being discussed by the Board and/or who have demonstrated future potential and should be given exposure to the Board.

CEO Evaluation and Management Succession. The Compensation Committee shall conduct an annual review of corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals, and determine the compensation level of the CEO based on such an evaluation, and may do the same for other members of senior management. The Board shall review the Compensation Committee's report in order to confirm that the CEO is providing effective leadership for the Company. The Board of Directors shall be responsible for ensuring that the Company has developed an Executive Management succession plan, including procedures for CEO selection in the event of an emergency or the retirement of the CEO. The Board shall review and evaluate such plan at least annually. The Compensation Committee shall lead the Board's annual review and evaluation of the Company's Executive Management succession plan. The CEO should make available his or her recommendations and evaluations of potential successors, along with a review of any development plans of such individuals.



Corporate Governance Guidelines

Periodic Self-Evaluation of the Board. The Board shall periodically conduct a self-evaluation to assess how effectively the Board is functioning as a whole. The following criteria should be considered:

- A sustained record of high achievement in financial services, business, industry, government, academia, the professions or civic, charitable, or non-profit organizations;
- Competence and integrity;
- A strong commitment to the ethical and diligent pursuit of shareholders' best interests;
- The strength of character necessary to challenge management's recommendations and actions when appropriate and to confirm the adequacy and completeness of management's responses to such challenges to his or her satisfaction;
- The Board's desire to maintain inclusivity and varied perspectives; and
- Personal qualities that will help to sustain an atmosphere of mutual respect and collegiality among the members of the Board.

The Board also considers the diversity of perspective, experience, knowledge, education, age, and skills, as well as the current needs of the Board and its committees, meeting attendance and participation, and the value of a director's contributions to the effectiveness of the Board and its committees.

BOARD SKILLS AND TRAINING PROGRAM

The Company maintains a Board Training Program, designed to provide directors access to tools and resources to support the performance of their duties as directors. As a part of the Board Training Program, the Company has adopted a statement detailing the skills directors are expected to possess in order to fulfill their roles effectively. In addition, the Board has adopted a list of courses that the Company or qualified third parties offer so that directors may supplement their existing skill sets.

Director Orientation. All new directors shall participate in an orientation program prior to or within a reasonable time after their election to acquaint them with the following:

- Corporate Governance Guidelines;
- Code of Conduct;
- Supplemental Code of Ethics for Senior Financial Officers;
- Related Party Transactions Policy and Procedures;
- Policies and procedures for accounting and legal compliance;



Corporate Governance Guidelines

- Insider trading rules and SEC compliance procedures;
- An overview of the Company’s business and operations;
- The Company’s strategic plan;
- Principal Officers;
- Significant financial, accounting, and risk management issues;
- Internal audit services and the external independent accounting firm; and
- Compliance programs, such as AML/BSA, Insider Lending, and Insider Trading.

All continuing directors are also invited to attend such orientation programs. New directors may be required to execute an acknowledgment of receipt and compliance with the Codes and Policies adopted by the Board in a form specified by the Board.

Continuing Director Education. In addition to director orientation, both new and continuing directors participate in Company-sponsored education programs on a wide variety of topics. Certain approved third-party providers may also provide a role in presenting content.

Directors serving on certain Board committees may also be required to have other qualifications as specified in the relevant committee charters. In particular, members of the Audit Committee must meet all applicable independence requirements and must satisfy the Nasdaq requirements for financial sophistication; in addition, at least one Audit Committee member will qualify as an “Audit Committee Financial Expert” under the SEC’s rules.

BOARD STRUCTURE

Board Size. The Company Bylaws provide that the number of directors shall be not less than 3 and not more than 25 members, as determined from time to time by the Board. The Board expects that the number of directors will vary from time to time within the defined range, depending upon various circumstances including, but not limited to, retirements and the availability of desirable and qualified candidates.

Term Limits. Each director shall hold office until his or her death, resignation, retirement, removal, disqualification, or until his or her successor is elected and qualified.

The Board has not established term limits. While term limits may supply the Board with fresh ideas and viewpoints, they do arbitrarily force the replacement of directors who have gained valuable experience, insight, and historical perspective regarding the Company. The Board believes the self-



Corporate Governance Guidelines

evaluation and nomination process described in these Guidelines, including the consideration of the Board Membership Criteria in connection with nominating a director for reelection, will ensure the continued benefit of fresh ideas and viewpoints.

Director Indemnification. The Board shall be entitled to have the Company purchase reasonable Directors and Officers Liability Insurance on its behalf and provide indemnification to directors to the fullest extent permitted by law and the Company's Articles of Incorporation and Bylaws.

Committee Structure. The Board has established five standing committees: Audit, Risk, Compensation, Governance and Nominating, and Information Technology Oversight. The Board shall appoint a Chairperson for each committee annually. The committee may delegate to its Chairperson such power and authority as the committee deems to be appropriate, except such powers and authorities required by law or regulation to be exercised by the whole committee or by a subcommittee of at least two members.

The Board and each committee have the authority to, as they deem appropriate, independently engage, at the expense of the Company, and oversee outside legal, accounting, or other advisors or consultants without consulting in advance, or obtaining the approval of, any Company officer or, in the case of a committee, the Board. Additionally, each committee biennially conducts a review and evaluation of the performance of such committee coordinated by the Governance and Nominating Committee. The current charter of each committee is reviewed and reassessed annually by each committee to determine its adequacy in light of any changes to applicable rules and regulations. The charters are published on the Company's website and will be mailed to any shareholder upon written request. It also is anticipated that the committees of the Board will perform additional duties that are not specifically set out in their respective charters as may be necessary or advisable in order for the Company to comply with certain laws, regulations or corporate governance standards, as the same may be adopted, amended or revised from time to time. It is expected that each committee will adhere to the terms of its respective charter. A summary of the primary responsibilities of each of the committees follows.

Audit Committee. The Audit Committee assists the Board in its oversight of the integrity of the Company's financial statements, disclosures, other internal control processes, the Business Conduct, Ethics and Conflicts of Interest Policy, and the Related Party Transactions Policy. The Audit Committee solely selects, approves the compensation for and oversees and evaluates the independence and ability of the Company's independent auditors. The Audit Committee oversees the Company's internal audit function and receives regular reports from the Chief Audit Executive. The Audit Committee has established procedures for handling complaints received by the Company regarding accounting, internal accounting controls, ethics, auditing or legal matters, including the handling of anonymous and confidential complaints from employees and



Corporate Governance Guidelines

others. The Audit Committee prepares the disclosure required by Item 407(d)(3)(i) of Regulation S-K. The Audit Committee reviews the findings of any examinations by regulatory agencies, and any auditor observations and management's responses. The Committee monitors, tracks, and holds management accountable for addressing deficiencies and correcting control weakness and violations of law or regulation noted in internal or external audit reports or in examination reports.

Compensation Committee. The Compensation Committee reviews and approves annually the Company's compensation philosophy and practices, establishes the CEO's salary and other benefits, reviews the salary and benefits of certain other members of Executive Management recommended by the CEO, reviews and approves the Company's stock option and short- and long-term incentive compensation plans and awards, and oversees the Company's risk management functions related to incentive compensation. The Compensation Committee prepares the disclosure required by Item 407(e)(5) of Regulation S-K. In addition, the Compensation Committee periodically reviews and makes recommendations to the full Board regarding the adequacy of compensation paid to the Company's directors. Additionally, the Compensation Committee reviews and approves compensation and matters involving employees who are Immediate Family Members, as defined by Item 404 of Regulation S-K (17 CFR § 229.404) and the Company's Related Party Transaction Policy, of the Company's directors and Designated Executive Officers. The Compensation Committee also leads the evaluation of the Company's Executive Management succession plan.

Risk Committee. The Risk Committee provides oversight of the Company's risk governance framework and risk functions, including the strategies, policies, procedures, processes, and systems established by management to identify, measure, monitor, and manage major risks of the Company. The Risk Committee is intended to promote a robust and effective risk culture, facilitate Board-level oversight of risk-related issues and serve as a resource to management by overseeing major risks across the entire Company and enhancing management's and the Board's understanding of the Company's overall risk appetite and risk management activities and effectiveness. At its discretion, the Risk Committee may make recommendations to the Board, including recommendations with regard to the overall risk profile of the Company.

The Risk Committee reviews actions taken with respect to any matters related to the Committee's purpose and requiring Board or management attention, as contained in any regulatory agency examination report, audit report or self-assessment.

The Risk Committee will also assist the Board in its responsibilities regarding strategic decisions with respect to lending policies and the loan portfolio in accordance with and in furtherance of the Strategic Plan, and to periodically review and monitor the quality of the loan portfolio and adequacy of the allowance for credit losses and to provide updates to the Board.



Corporate Governance Guidelines

The Risk Committee is also responsible for reviewing and approving all extensions of credit and vendor Related Party Transactions.

Governance and Nominating Committee. The Governance and Nominating Committee reviews annually the composition and structure of the Board and its committees and evaluates the qualifications and independence of incumbent directors. The Governance and Nominating Committee reviews qualified candidates for election as directors, as needed. The Governance and Nominating Committee proposes the slate of director nominees for approval by the Board and subsequent election by shareholders. The Governance and Nominating Committee annually recommends for Board approval the composition of membership on the Board committees.

The Governance and Nominating Committee periodically reviews the Corporate Governance Guidelines, and other written corporate governance policies, and recommends revisions, as needed, to the Board for approval. It also periodically reviews the overall effectiveness of the Board and its committees and leads the Board's periodic review.

Information Technology Oversight Committee. The Information Technology Oversight Committee ("TOC") assists the Board by providing heightened oversight of the Company's information technology ("IT") risk governance framework and IT functions, including the strategies, policies, procedures, processes, and systems established by management to identify, measure, monitor, and manage major IT risks of the Company. The TOC is focused on enhancing management's and the Board's understanding of the Company's overall IT operating and infrastructure environment, IT risk appetite and IT risk management activities and effectiveness, including but not limited to overseeing management's design and operation of effective IT controls.

Among other things, the TOC reviews any IT Examination Findings, and it is expected to review management's responses to, and remediation plans for, any deficiencies or IT matters identified by examiners, internal or external auditors or any first line business unit.

Committee Membership. Each of the Audit, Compensation and Governance and Nominating Committees shall be composed entirely of independent directors as defined in NASDAQ rules, the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder and any other applicable laws and regulations relating to independence, and each Board committee shall be chaired by an independent director. The members of the Audit, Compensation and Governance and Nominating Committees are required to meet additional independence criteria.

The Governance and Nominating Committee annually recommends to the full Board for its approval the composition of membership on all Board committees.



Corporate Governance Guidelines

Rotation Policy. Directors may be rotated to serve on another committee, subject to each committee’s legal requirements regarding “director independence” and to considerations that the Board shall deem appropriate. Committee chairs also may be rotated.

Committee Reporting. Each Committee chair, or the chair’s designee, reports to the full Board on committee actions at the next Board meeting after the committee has met.

BOARD COMPENSATION PROGRAM

The Compensation Committee determines the form and amount of director compensation. In formulating its recommendation regarding the form and amount of director compensation and the potential impact on the independence of a director, the Compensation Committee shall evaluate whether director compensation is appropriate, reasonably comparable to the Company’s peers in the financial services industry and in the best interests of the Company’s shareholders.

The Compensation Committee directly engages an independent compensation consultant to advise it as to “best practices” and emerging trends in director compensation. The independent consultant also benchmarks the Company’s director compensation against a national peer group and general industry data, which is adjusted for each company’s relative income and asset base.

The total director compensation package includes a program wherein a director may invest in additional shares of the Company stock on a regular basis in order to better align the interests of the Company’s directors with the long-term interests of its shareholders.

OTHER MATTERS

Shareholder rights. All holders of the Company’s common stock have the same voting rights; the Company has no supermajority voting provisions; and the Company has no poison pill or other anti-takeover device. Moreover, in 2017, the Board amended the Company’s Bylaws to permit shareholders to propose amendments to the Bylaws, for adoption by a majority of shares held by all shareholders.

Other shareholder rights are stated in the Articles of Incorporation and Bylaws.

Anti-hedging/anti-pledging policies. The Company has adopted a policy prohibiting its executive officers and directors from engaging in any hedging of the Company’s common stock, including buying or selling puts or calls, short sales, or any other hedging transaction.

The Company’s policy also limits the ability of directors and executive officers to pledge Company common stock that they own. The policy limits pledging to one-half of the number of shares owned



Corporate Governance Guidelines

by such person for purposes of the Company's ownership guidelines and limits the value of such pledged shares to 25% of the director's or executive officer's net worth.

Certain relationships and related transactions. The Company has had, and expects to have in the future, banking transactions in the ordinary course of business with some of the Company's directors, executive officers, and their associates. All such transactions must be on substantially the same terms, including interest rates, maturities, and collateral requirements as those prevailing at the time for comparable transactions with non-affiliated persons and not involve more than the normal risk of collectability or present other unfavorable features. Loans to insiders and their related interests, as defined by Regulation O promulgated by the Federal Reserve Bank, as well as the Company's Regulation O Insider Lending Policy, require approval by the Board, with any interested director not participating. The Company also applies the same standards to related party transactions, as defined by Item 404(a) of Regulation S-K and the Company's Related Party Transactions Policy, with approval from a particular Board committee.