



Examining Committee Charter

I. Purpose

The primary purpose of the Examining Committee is to act as audit committee and oversee (a) the accounting and financial reporting processes of the Bank, including the integrity of the financial statements and other financial information provided by the Bank to its stockholders, the public, any stock exchange and others; (b) the Bank's compliance with legal and regulatory requirements; (c) the independent registered public accounting firm's qualifications and independence; (d) the audit of the Bank's financial statements; and (e) the performance of the Bank's internal audit function and independent registered public accounting firm, each in accordance with Rule 10A-3 under the Securities Exchange Act of 1934, as amended, and Nasdaq Marketplace Rule 4350(d).

Although the Examining Committee has the powers and responsibilities set forth in this Charter, the role of the Examining Committee is oversight. The members of the Examining Committee are not full-time employees of the Bank and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Examining Committee to conduct audits or to determine that the Bank's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent registered public accounting firm.

II. Organization

The Examining Committee shall consist of three or more directors, each of whom shall satisfy the independence, financial literacy and experience requirements of Section 10A of the Securities Exchange Act, Nasdaq and any other regulatory requirements, subject to the cure periods permitted by Nasdaq; provided that one director who does not satisfy the applicable independence requirements of Nasdaq may be appointed to and serve on the Examining Committee, subject to compliance with the requirements of NASD Rule 4350(d)(2)(B). At least one member of the Examining Committee shall be an audit committee financial expert, as such term is defined by the Securities and Exchange Commission pursuant to Section 407 of the Sarbanes-Oxley Act of 2002. Such audit committee financial expert shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in such individual's financial sophistication (including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities).

The members of the Examining Committee shall be appointed by the Bank's Board of Directors (the "Board"). Members of the Examining Committee may be removed at any time by action of the Board. The Chairman of the Board shall recommend, and the members of the Examining Committee shall elect, a chairperson by a vote of the majority of the full Examining Committee. The Examining Committee chairperson shall serve for a term of no more than five consecutive years as chair.

No member of the Examining Committee shall have participated in the preparation of the financial statements of the Bank or any current subsidiary at any time during the past three years.

III. Meetings

The Examining Committee shall meet at least four times per year on a quarterly basis, or more frequently as circumstances require. Meetings shall be called by the chairperson of the Examining Committee or, if there is no chairperson, by a majority of the members of the Examining Committee. Meetings may be held telephonically in accordance with the Bank's By-laws. As part of its job to foster open communication, the Examining Committee shall meet at least quarterly with management, the chief internal auditor and the independent registered public accounting firm in separate executive sessions to discuss any matters that the Examining Committee or each of these groups believe should be discussed privately.

IV. Authority and Responsibilities

In recognition of the fact that the independent registered public accounting firm is ultimately accountable to the Examining Committee, the Examining Committee shall (a) have the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent registered public accounting firm (or to nominate the independent registered public

accounting firm for stockholder approval), (b) approve all audit engagement fees and terms and all non-audit engagements with the independent registered public accounting firm and (c) perform such other duties and responsibilities set forth under the Securities Exchange Act. The Examining Committee may consult with management and the internal audit department but shall not delegate these responsibilities.

In fulfilling its duties and responsibilities hereunder, the Examining Committee will be entitled to reasonably rely on (a) the integrity of those persons within the Bank and of the professionals and experts (such as the Bank's independent registered public accounting firm) from which it receives information, (b) the accuracy of the financial and other information provided to the Examining Committee by such persons, professionals or experts and (c) representations made by the Bank's independent registered public accounting firm as to any services provided by such firm to the Bank.

To fulfill its responsibilities, the Examining Committee shall:

With respect to the engagement of any independent registered public accounting firm to perform audits and audits related services:

1. Be directly responsible for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm (including resolution of disagreements between management and any independent registered public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Bank.

With respect to the work of the Bank's independent registered public accounting firm:

2. Have the sole authority to review in advance, and grant any appropriate pre-approvals of, (a) all auditing services to be provided by the Bank's independent registered public accounting firm and (b) all non-audit services to be provided by the Bank's independent registered public accounting firm as permitted by Section 10A of the Securities Exchange Act and, in connection therewith, to approve all fees and other terms of engagement. The Examining Committee may delegate the authority to pre-approve audit and permitted non-audit services between meetings of the Examining Committee to a designated member of the Examining Committee, provided that the decisions made by such member are presented to the full Examining Committee for ratification at its next scheduled meeting for ratification. The Examining Committee shall also review and approve disclosures required to be included in Federal Deposit Insurance Corporation ("FDIC") periodic reports filed under Section 13 (a) of the Securities Exchange Act, and the rules and regulations promulgated thereunder, as incorporated by cross-reference by § 335.101 of the FDIC Regulations, with respect to audit and non-audit services.

3. Evaluate on an annual basis the performance of the Bank's independent registered public accounting firm, including the lead audit partner, and present the conclusions of such evaluation to the Board. In making its evaluation, the Examining Committee should take into account the opinions of management and the Bank's internal auditors.

4. Ensure that the Bank's independent registered public accounting firm submit to the Examining Committee on an annual basis a written statement consistent with Independent Standards Board Standard No. 1, discuss with the independent registered public accounting firm any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm and satisfy itself as to the independent auditors' independence.

5. At least annually, obtain and review an annual report from the Bank's independent registered public accounting firm describing (a) the independent registered public accounting firm's internal quality control procedures and (b) any material issues raised by the most recent internal quality control review, or peer review, of the independent registered public accounting firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent registered public accounting firm, and any steps taken to deal with any such issues.

6. Confirm compliance with the "lead partner," the "concurring partner" and the other "audit partner" rotation requirements of Regulation S-X.

7. Review all reports and communications required to be submitted by the independent registered public accounting firm to the Examining Committee under Section 10A of the Securities Exchange Act.

8. Review, based upon the recommendation of the independent registered public accounting firm and the chief internal auditor, the scope and plan of the work to be done by the independent registered public accounting firm.

With respect to the annual financial statements:

9. Review and discuss with management, the internal audit department and the independent registered public accounting firm the Bank's annual audited financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

10. Discuss with the independent registered public accounting firm the matters required to be discussed by Statement on

Auditing Standards No. 61, 89 and 90, as amended, relating to the conduct of the audit.

11. Based on the review and discussions referred to in paragraphs 4, 9 and 10 above, recommend to the Board, if appropriate, that the Bank's annual audited financial statements be included in the Bank's annual report on Form 10-K for filing with the FDIC.

12. Prepare the report required by the FDIC to be included in the Bank's periodic reports, annual proxy statement and any other reports of the Examining Committee required by applicable securities laws or Nasdaq requirements or rules.

With respect to quarterly financial statements:

13. Review and discuss with management, the internal audit department and the independent registered public accounting firm the Bank's quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the independent registered public accounting firm's review of the quarterly financial statements, prior to submission to stockholders, any governmental body, any stock exchange or the public.

Annual reviews:

14. Discuss with management and the independent registered public accounting firm's major issues regarding accounting principles used in the preparation of the Bank's financial statements, including any significant changes in the Bank's selection or application of accounting principles and policies, compliance with GAAP and, where appropriate, the Bank's provision for future occurrences which may have a material impact on its financial statements. Review and discuss analyses prepared by management and/or the independent registered public accounting firm setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under GAAP.

15. Prior to the filing of any audited financial statements with the FDIC, review with the independent registered public accounting firm (i) all critical accounting policies and practices used by the Bank, (ii) all alternative accounting treatments of financial information within GAAP related to material items that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent registered public accounting firm and (iii) other material written communications between the independent registered public accounting firm and management.

Periodic reviews:

16. Periodically meet separately with key members of management, the independent registered public accounting firm and the internal audit department. At such meetings review (a) any significant disagreement between management and the independent registered public accounting firm or the internal audit department in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.

17. Periodically review with the independent registered public accounting firm any other audit problems or difficulties (including accounting adjustments that were noted or proposed by the independent registered public accounting firm but passed by management (due to immateriality or otherwise)), communications between the audit engagement team and the independent registered public accounting firm's national office regarding auditing or accounting issues and management or internal control letters issued, or proposed to be issued, by the auditor to the Bank and management's response to such letters. The review shall also include a discussion of the responsibilities, budget and staffing of the Bank's internal audit function.

18. Periodically discuss with the independent registered public accounting firm, without management being present, (a) their judgments about the quality, integrity and appropriateness of the Bank's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Bank's financial statements.

19. Consider and approve, if appropriate, significant changes to the Bank's accounting principles and financial disclosure practices as suggested by the independent registered public accounting firm, management or the internal audit department. Review with the independent registered public accounting firm, management and the internal audit department, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Examining Committee, have been implemented.

20. Review and discuss with management, the internal audit department, the independent registered public accounting firm and the Bank's in-house and independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Bank's financial statements, including applicable changes in regulatory and accounting initiatives, standards or rules.

Discussions with management:

21. Review, discuss and approve with management the Bank's earnings press releases, including the use of non-GAAP

financial measures (as defined in Regulation G), as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e., discussion of the types of information to be disclosed and the types of presentations to be made).

22. Review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Bank with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses.

23. Review and discuss with management the Bank's major financing risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Bank's risk assessment and risk management guidelines and policies.

With respect to the internal audit function and internal controls:

24. Review, based upon the recommendation of the independent registered public accounting firm and the chief internal auditor, the scope and plan of the work to be done by the internal audit department and the responsibilities, budget and staffing needs of the internal audit department.

25. Review and approve the appointment and replacement of the Bank's chief internal auditor. Additionally, the chairperson of the Examining Committee, working with the CEO, shall determine the compensation of the chief internal auditor.

26. Review on an annual basis the performance of the internal audit department.

27. In consultation with the independent registered public accounting firm and the internal audit department, review the adequacy of the Bank's internal control structure and procedures designed to ensure compliance with laws and regulations, and any special audit steps adopted in light of material control deficiencies.

28. Review procedures for (a) the receipt, retention and treatment of complaints received by the Bank regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Bank of concerns regarding the questionable accounting or auditing matters.

29. Review, as appropriate, the elements required for compliance with the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), including (i) the internal control report prepared by management, including management's assessment of the effectiveness of the Bank's internal control over financial reporting, (ii) the independent registered accounting firm's attestation and report on the assessment made by management and (iii) the FDICIA testing process.

30. Review, as appropriate, the elements required for compliance with Section 404 of the Sarbanes-Oxley Act of 2002, including (i) management's planned scope for the 404 review; (ii) periodic status reports; (iii) internal control deficiencies identified by management, including management's evaluation of the significance of those deficiencies and corrective actions of any significant deficiencies or material weaknesses; (iv) the internal control report prepared by management, including management's assessment of the effectiveness of the Bank's internal control over financial reporting; and (v) the independent registered public accounting firm's attestation and report on the assessment made by management. Review with management and the independent registered public accounting firm any reports or disclosure submitted by management to the Examining Committee as contemplated by the Certifications required under Section 302 of the Sarbanes-Oxley Act of 2002.

Other:

31. Approve policies and procedures for the review, approval or ratification of related person transactions required to be disclosed pursuant to Item 404 of Regulation S-K, Nasdaq rules and any other applicable requirements as each may be amended from time to time (the "Related Person Transactions Policy"). Review, approve or ratify all related person transactions required to be disclosed pursuant to Item 404 of Regulation S-K, Nasdaq rules and any other applicable requirements as each may be amended from time to time, and otherwise perform all of its duties under the Related Person Transactions Policy. Monitor the implementation and compliance with the Related Person Transactions Policy. Review the Related Person Transactions Policy at least annually and amend such Policy as it deems appropriate from time to time.

32. Review and approve (a) any amendment to or waiver from the Bank's code of ethics for the chief executive officer and senior financial officers and (b) any public disclosure made regarding such change or waiver. Review and discuss at least annually the Bank's code of ethics and the procedures in place to enforce the code of ethics.

33. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Examining Committee.

34. Review its own performance annually.

35. Report regularly to the Board. Review with the full Board any issues that have arisen with respect to the quality or integrity of the Bank's financial statements, quality and adequacy of the Bank's internal controls, the Bank's compliance with legal or regulatory requirements, the performance and independence of the Bank's independent auditors or the performance of the internal audit department.

36. Perform any other activities consistent with this Charter, the Bank's By-laws and governing law, as the Examining Committee or the Board deems necessary or appropriate.

The foregoing responsibilities and duties set forth in this Charter should serve as a guide only, with the express understanding that the Examining Committee may carry out additional responsibilities and duties and adopt additional policies and procedures as may be necessary in light of any changing business, legislative, regulatory, legal or other conditions.

V. Former Employees of the Independent Auditor

The Examining Committee shall be required to pre-approve the hiring of any employee or former employee of the independent registered public accounting firm who was a member of the Bank's audit engagement team within the preceding two fiscal years. The Examining Committee shall not approve the hiring of any individual for a financial reporting oversight role if such person is or was an employee of the independent registered public accounting firm and was a member of the Bank's audit engagement team within the preceding two fiscal years unless (A) (i) such individual is to be employed for a limited period of time due to an emergency or unusual situation and (ii) the Examining Committee determines that the hiring of such individual is in the best interests of the Bank's shareholders or (B) such individual becomes employed by the Bank as a result of a business combination and the Examining Committee was made aware of such individual's prior relationship with the Bank as a member of its audit engagement team.

VI. Resources

The Examining Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Examining Committee. The Examining Committee may request any officer or employee of the Bank or the Bank's outside counsel or independent registered public accounting firm to attend a meeting of the Examining Committee or to meet with any members of, or consultants to, the Examining Committee.

The Examining Committee shall determine the extent of funding necessary for payment of (a) compensation to the independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Bank, (b) compensation to any independent legal, accounting and other consultants retained to advise the Examining Committee and (c) ordinary administrative expenses of the Examining Committee that are necessary or appropriate in carrying out its duties.

As of 08-04-08