



# **FIVE STAR BANCORP**

## **CODE OF CONDUCT**

**(As Adopted March 18, 2021)**

### **1. INTRODUCTION**

Employees, officers and directors of Five Star Bancorp, or any of its affiliates or subsidiaries, (the “Company”) and others performing work for the Company or on its behalf, collectively referred to in this code as “Five Star Personnel,” are expected to act lawfully, honestly, ethically and in the best interests of the Company while performing duties on behalf of the Company. This code provides some guidelines for business conduct required of Five Star Personnel. Persons who are unsure whether their conduct or the conduct of other Five Star Personnel complies with this code should contact any senior management member, the Human Resources Department, the Governance and Nominating Committee (the “Governance Committee”) or the Audit Committee (the “Audit Committee”). This code applies to all Five Star Personnel and others working on the Company’s behalf. This code is subject to change and may be amended, supplemented or superseded by one or more separate policies.

### **2. CONFLICTS OF INTEREST**

Five Star Personnel are expected to use their judgment to act, at all times and in all ways, in the best interests of the Company while performing their job duties. As such, Five Star Personnel should attempt to avoid actual or apparent conflicts of interest. A conflict of interest exists when your personal interests interfere with the best interests of the Company. For example, a conflict of interest may occur when you or a family member receive a personal benefit as a result of your position with the Company. Similarly, you may not use your position at the Company to request personal benefits for yourself or your family members. A conflict of interest may also arise from your personal relationship with a customer, supplier, vendor, competitor, business partner, or other Five Star Personnel, if that relationship impairs or may be perceived to impair your objective business judgment. Other specific areas of potential conflict of interest such as external business relationships, serving on boards, personal investments, gifts, entertainment, corporate opportunities and certain personal relationships with other Five Star Personnel are discussed in more detail below.

The best rule for any situation that appears to present a conflict of interest is to “abstain and disclose.” If it is not possible to avoid participating in the event or activity creating the conflict, (1) promptly disclose the potential conflict to the Human Resources Department, the Governance Committee or the Audit Committee and (2) avoid participating in decisions that might raise the appearance of a conflict until you receive appropriate guidance from the Governance Committee or the Audit Committee. The Governance Committee and the Audit Committee will consider the

facts and circumstances of the situation to decide whether corrective or mitigating action is appropriate.

Some specific potential conflicts of interest to be mindful of are as follows:

- **Outside Business and Consulting Engagements**

Five Star Personnel must obtain approval from the Governance Committee or the Audit Committee prior to beginning any employment, business, or consulting relationship with another company that is a current or potential competitor of the Company or that otherwise has a business relationship with the Company. In addition, any such employment or business relationship cannot otherwise violate Part 348 of the FDIC Rules and Regulations prohibiting a management official from serving two nonaffiliated depository organizations in situations where the management interlock likely would have an anticompetitive effect. You should avoid conducting Company business with members of your family or others with whom you have a significant personal or financial relationship without the prior approval of the Governance Committee or the Audit Committee.

- **Serving on Boards and Investing in Other Companies**

We encourage Five Star Personnel to be active in industry and civic associations. However, Five Star Personnel who serve on boards of directors or advisory boards of any entity or organization are required, prior to acceptance, to obtain approval from the Governance Committee or the Audit Committee.

- **Gifts & Entertainment**

Giving or receiving gifts or entertainment to or from a current or future client or business partner can potentially create a conflict of interest, especially if the value of the item is significant. Accepting or providing gifts (such as company-branded swag or simple gift baskets) is generally fine if the market value of the item is less than \$200. Additionally, accepting or providing certain business entertainment (such as an invitation to attend a local cultural or sporting event, or a celebratory meal with a business partner) can be appropriate, provided that the entertainment is reasonable and customary and in the furtherance of a business relationship; the cost of the entertainment is not excessive; and it won't inappropriately bias future decision-making about working with the partner or create an appearance of impropriety.

You should never give or receive cash, cash equivalents (such as gift cards), loans or any item that obligates you to provide something in return, and you should not actively solicit gifts or entertainment from a current or potential client or business partner.

In addition, the Company is prohibited by the Federal Election Campaign Act from making contributions or expenditures (gifts, loans, advances, deposits of money, or any services, or anything of value) which directly or indirectly are in connection with any Federal election to any political office, any primary election, or any political convention or caucus held to select candidates for any Federal public office. The Company, therefore, does not condone the use of normal work hours of an employee to engage in activity, which directly

or indirectly is in connection with any election to any political office, any primary election, or any political convention or caucus held to select candidates for any public office.

- **Corporate Opportunities**

Five Star Personnel may not exploit or take advantage of business opportunities that are discovered through the use of the Company's property, information, or position for personal gain unless the opportunity is disclosed fully in writing to the Company and the Company declines to pursue such opportunity.

### **3. HARASSMENT**

The Company does not tolerate unlawful harassment or any mistreatment by or of workers (including individual contributors, managers and contingent workers), guests, clients, or agency partners in the workplace or in a work-related situation on the basis of sex, race, color, nationality, ethnic or national origin, ancestry, citizenship, religion (or belief, where applicable), age, physical or mental disability, medical condition, sexual orientation, veteran status, marital status, genetic information or characteristics (or those of a family member), or any other category protected under applicable federal, state or local law. If you suspect harassment, discrimination, or retaliation has occurred, you are encouraged to promptly provide a written or oral complaint to the Human Resources Department, the Governance Committee or the Audit Committee.

### **4. COMMUNICATIONS**

You should take care to ensure that all business records and communications are clear and accurate. Please remember that your business communications may be shared or become public through litigation, government investigation, or publication in the media. Potential risks from inaccurate or misleading statements include claims of false advertising, misrepresentation, breach of contract, securities fraud, unfair disclosure and antitrust violations. You must consult with Investor Relations before making formal statements or providing information about the Company, our business and fellow Five Star Personnel through any public forum.

You may not give an endorsement or other statement on behalf of the Company or personal endorsement that identifies your affiliation with the Company, except when approved by Investor Relations. In addition, you may not discuss the Company's business, including financial condition, business or financial performance, products, or business prospects with financial analysts or actual or potential investors without the prior approval of Investor Relations. All requests for a representative of the Company to participate in a financial conference (including speaking on a panel, or attending a dinner or any event that targets the financial community) must be referred to Investor Relations for review and managing. If any such analysts or investors contact you please refer such inquiries to our Investor Relations team.

### **5. INTERACTIONS WITH CUSTOMERS**

Five Star Personnel are discouraged from acting as representatives for customers in conducting their banking business. Five Star Personnel should not sign on customer accounts, have access to customer safe deposit boxes, or otherwise represent a customer without approval from the Chief Executive Officer.

Any customer who seeks legal or tax advice from any Five Star Personnel should be encouraged to consult with an attorney or an accountant. It is not appropriate for bank employees to try to provide clients with this type of advice. When recommending professionals, employees should not single out a particular firm but rather suggest at least three.

Five Star Personnel are not allowed to request loans from individual or business banking customers. Granting or denying such requests imposes an inappropriate burden on the customer and could influence the employee's judgment or decisions. Any exemption from this rule must be approved by the Chief Executive Officer.

## **6. INTERACTIONS WITH AUDITORS, REGULATORS AND LEGAL COUNSEL**

Five Star Personnel are required to respond honestly, fully and candidly when dealing with the Company's independent and internal auditors, regulators and attorneys. Five Star Personnel should raise any concerns immediately if they become aware of actions, transactions, accounting or reporting that are inconsistent with our values and the protection of the Company's reputation. Five Star Personnel are expected to comply with all Company policies and applicable laws and regulations relating to the preservation of documents and records, in particular those known to be relevant to a pending or reasonably foreseeable litigation, audit, examination or investigation.

## **7. PUBLIC DISCLOSURES**

The Company is committed to the transparency and integrity of our publicly-filed financial reports and other communications. Our principal executive officer, principal financial officer, principal accounting officer and people who perform similar functions are deemed our "senior financial officers" and are responsible for ensuring that the disclosure in the Company's periodic reports is full, fair, accurate, timely and understandable.

## **8. FINANCIAL INTEGRITY AND RESPONSIBILITY**

Five Star Personnel are expected to act responsibly and exercise sound judgment with respect to matters involving Company finances. Transactions must be reflected in an accurate and timely manner. Destroying, altering, or falsifying entries and activities that result in false entries are strictly prohibited. To the extent applicable to position, a Five Star Personnel must ensure that the Company's financial reports and disclosures, as filed with or submitted to the shareholders and regulators or in other public communications, are full, fair, accurate, timely and understandable. In addition, non-financial records, including, but not limited to, minutes of meetings, must accurately and thoroughly reflect actual proceedings and events.

Five Star Personnel are required to report any known or suspected false or misleading entries or records perpetrated by others or that a member of Five Star Personnel has been instructed to effect to the Audit Committee.

## **9. CONFIDENTIAL INFORMATION**

The Company's confidential business information is a valuable asset that everyone must protect. Five Star Personnel are required to use confidential information of the Company for business purposes only and must always keep such information in strict confidence. This includes,

but is not limited to, financial and personal or other sensitive information of customers, loan applicants or fellow Five Star Personnel (including personnel and payroll information), as well as the Company's financial information and information related to its internal affairs, competitive position, pricing and rates, strategic planning and dealing with its regulators.

On a periodic basis, the Company is examined by its regulators. The reports that examiners furnish must remain the property of the regulatory agency and are strictly confidential. Information contained in the reports is privileged information and should not be communicated to anyone not officially connected with the Company.

Your obligations to maintain the confidentiality of this information means that you may not share any such information outside of the Company unless the Company has appropriate non-disclosure agreements in place. Five Star Personnel should also refrain from sharing confidential information internally beyond those persons who legitimately need to know it for purposes of their job. We have an open and transparent culture and this is not intended to stifle the ongoing conversation and sharing that has facilitated so much of our success. Rather, you should use your judgment to share what is appropriate inside the Company in furtherance of your and others' jobs. Please always keep in mind that improper use or disclosure of confidential business information could seriously damage the Company's reputation with users, business partners and the community, expose us to liability and cause harm to our business.

## **10. COMPLIANCE WITH LAWS**

Five Star Personnel are expected to act within the bounds of applicable laws, rules and regulations of the countries where we do business. The application of these and other laws can be complex and fact-dependent. If you have any questions about the applicability of interpretation of any law, rule or regulation, you should contact the Chief Executive Officer.

- **Anti-Corruption / Anti-Money Laundering**

Without limitation, Five Star Personnel must fully comply with all anti-corruption laws and anti-money laundering laws. Our internal control procedures are designed to ensure we "know our customers" and do not do business with prohibited parties. The Company adheres to risk-based "Know Your Customer" due diligence processes for prospective customers.

Five Star Personnel must follow the Company's "Know Your Customer" procedures and rules on collecting and verifying information from our customers and related parties to ensure that they are involved in legitimate business activities and that their funds come from legitimate sources. Five Star Personnel should immediately escalate any signs of unusual activity, potential money laundering or other illegal activities.

- **Competition**

In addition, Five Star Personnel must always abide by laws related to competition (often referred to as "antitrust" laws). These types of laws generally prohibit agreements not to compete or that unreasonably restrain trade. Under these laws, the Company must never

collude with other companies on price or terms to be offered to customers, agree with competitors to allocate market or customers or to manipulate the bidding process.

Five Star Personnel should not provide, receive or exchange any of the following types of information with a competitor or its representative, whether in person, electronically or at an industry meeting:

- prices, costs, profits or margins;
  - bids, market share or distribution methods;
  - customers, suppliers, sales territories or product lines;
  - terms or conditions of sale, production, sales capacity or volume; and
  - sales, marketing or development strategies for products or services.
- **Insider Trading**

Under the federal securities laws, it is generally illegal to trade in the Company securities while in the possession of material non-public information about the Company. It is also generally illegal to provide material non-public information about the Company to others who then trade on the basis of that information. Please refer to our Insider Trading Policy for details regarding insider trading.

- **Unfair Deceptive, or Abusive Acts or Practices**

In an effort to be certain that the Company offers products and services which provide value to customers in a way that is fair and equitable, Five Star Personnel should report any product, service, or advertisement which in their opinion appears to be Unfair, Deceptive, or Abusive. Any such report should be submitted to the Audit Committee.

## **11. ADMINISTRATION OF THE CODE**

This Code shall be jointly administered and monitored by the Governance Committee and the Audit Committee. Any questions and/or further information requested should be directed to the Human Resources Department, the Governance Committee or the Audit Committee. All managers and direct supervisors are responsible for reviewing this Code with their team members each time a new edition of the Code is published.

All concerns are appreciated and valued. Concerns involving employees will be initially processed by the Human Resources Department and referred to the appropriate individuals for handling on a need to know basis. If the concern is unrelated to financial statements and reporting and involves a director or Executive Officer, the Human Resources Department will refer the matter to the Governance Committee or the Audit Committee. Five Star Personnel are expected to cooperate fully with any appropriately authorized investigation, including but not limited to those involving ethical issues or complaints of discrimination or harassment.

## **12. REPORTING VIOLATIONS**

If you learn about or suspect a violation of this code, another the Company policy, or any law, you shall promptly report it to a senior management member, Human Resources Department, the Governance Committee or the Audit Committee. If you are uncomfortable making such a report, you may do so anonymously by contacting the Whistleblower Hotline at **1-833-370-1862** or **<https://www.whistleblowerservices.com/fives>**.

In cases in which an individual reports a suspected violation of policy or law in good faith and is not engaged in the questionable conduct, the Company will attempt to keep its discussions and actions confidential to the greatest extent possible and in compliance with applicable laws and regulations governing privacy. The Company will not retaliate against anyone making a good-faith report of a potential violation. The Company will investigate any report of a violation. You must cooperate fully with any investigation, but should not investigate independently, as alleged violations may involve complex legal issues and you may risk compromising the integrity of a formal investigation.

Conduct that violates the law or company policies is grounds for prompt disciplinary or remedial action. In addition, your failure to report a known violation of law or company policy by someone else may result in disciplinary action for employees and/or termination of employment/your relationship with the Company. Discipline for a violation of the Company policies or applicable law may range from a warning up to and including summary termination of employment/your relationship with the Company (in accordance with applicable law). Where laws have been violated, we will cooperate fully with the appropriate authorities.

## **13. POLICY PROHIBITING RETALIATION**

It is against the Company policy for any Five Star Personnel to retaliate against any person for reporting what he or she believed in good faith to be a violation of this code, expressing an intent to report what he or she believed in good faith to be a violation of this code, assisting other Five Star Personnel to report a violation of this code, or participating in any investigation pursuant to this code.

## **14. AMENDMENT AND WAIVERS**

Any amendment or waiver of any provision this code must be approved by the Governance Committee and the Audit Committee of the Company's Board of Directors and promptly disclosed as may be required pursuant to applicable laws and regulations. Notwithstanding the foregoing, the Company's Chief Executive Officer may grant waivers under this code for the Company employees other than executive officers or senior financial officers. If a waiver request relates to an executive officer or director, the determination with respect to the waiver shall be made by the Governance Committee and the Audit Committee and such external legal counsel as the Governance Committee and the Audit Committee deems appropriate.

All waivers of this code other than those approved by the Governance Committee or the Audit Committee shall be promptly reported to the Governance Committee or the Audit Committee. Any waiver or modification of this code for a senior financial officer will be promptly

disclosed to shareholders as required by applicable law or the rules of the stock exchange on which the Company's common stock is listed for trading.