



## Corporate Governance Guidelines

### Purpose

These Corporate Governance Guidelines, along with the Articles of Incorporation, Bylaws, and Committee Charters, provide a governance framework in which the Boards of Directors of Altabancorp (“Bancorp”) and its operating subsidiary, Altabank (“Bank” and together with Bancorp, the “Company”), will operate. The Boards of Directors (the “Board”) believe that corporate governance is an evolving process and periodically will review and update these Corporate Governance Guidelines.

### Board Principles and Policies

**Code of Ethics and Business Conduct**—The Board expects all Directors, as well as Company officers and employees, to display the highest standard of ethics, consistent with the principles that have guided the Company over the years. The Board expects Directors, officers and employees to acknowledge their adherence to the Company’s Code of Ethics and Business Conduct Policy. Senior financial officers are also expected to observe and comply with the Company’s policy to ensure that the financial affairs of the Company are conducted honestly, ethically, accurately, and objectively, consistent with best accounting practices and in compliance with applicable laws, rules and regulations, which mandate that the Chief Executive Officer and the Chief Financial Officer certify all published financial statements. The Board’s Audit and Compliance Committee periodically reviews compliance with the Code.

**Confidential Information**—The Company believes that it is critical to protect confidential information. A breach of confidentiality may materially affect the Company’s financial condition, financial operations, or create significant reputational risks. Any person, either on the Board or within the Company, who has been found to have inappropriately shared confidential information, will be subject to disciplinary action.

**Communication with Outside Parties**—The Chief Executive Officer and the Chief Financial Officer have been designated as the appropriate spokespersons to communicate with outside parties, including, but not necessarily limited to, institutional investors, the press, investment bankers, regulatory bodies, and rating agencies. From time to time, Directors and Management may be asked by the Board or Management to speak with other outside parties, as appropriate.

**Director Independence**—A majority of the members of the Boards of Directors shall meet the criteria for independence as required by applicable law and the listing standards of Nasdaq. The Nasdaq rules define an “independent director” as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship that the Board of Directors views as interfering with the exercise of independent judgment. No Director shall qualify as independent unless the Board of Directors determines the Director has no direct or indirect material relationship with the Company (including any subsidiary that is consolidated in the Company’s financial results). Independence will be determined on an annual basis at the time the Board approves director nominees for inclusion in the proxy statement. Each Director shall notify the Board of any change in circumstances that may put his or her independence at issue. If so notified, the Board will reevaluate, as promptly as practicable thereafter, such Director’s independence.

It shall be the responsibility of each Director and prospective director to disclose to the Board of Directors any relationship that could impair his or her independence or any conflict of interest with the Company. Relationships that should be disclosed may include, among others, affiliations of a Director or prospective director or an immediate family member (defined as a person’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home) of a Director or prospective director with a (1) customer, supplier, distributor, dealer, reseller or other channel partner of the Company; (2) lender, outside legal counsel, investment banker or consultant of the Company; (3) a significant shareholder of the Company; (4) charitable or not-for-profit institution that has received or receives donations from the Company; or (5) competitor or other person having an interest adverse to the Company. Each Director completes an annual questionnaire providing information necessary for the Company to assist the Board of Directors in reconfirming Director independence and making required disclosures in the Company’s proxy statement.

**Lead Independent Director**— When the positions of Chair and Chief Executive Officer are combined or if the Chair is not independent, the independent Directors of the Company shall annually appoint an independent Director to serve as Lead Independent Director for a one-year term. The Lead Independent Director will preside at any meeting of the Board of Directors at which the Chair is not present, including at executive sessions for independent Directors, at meetings or portions of meetings on topics where the Chair or the Board of Directors raises a possible conflict, and as otherwise requested by the Chair. The Lead Independent Director may call meetings of the independent Directors or of the Board of Directors, at such time and place as he or she determines.

The Lead Independent Director may add agenda items for Board meeting in his or her discretion. The Lead Independent Director will facilitate communication between the Chair and the Chief Executive Officer and the

independent Directors, as appropriate; and will perform such other functions as the Board of Directors may direct.

Directors may request agenda items and additional information, as they deem appropriate, for the Board and the committees on which they serve, and they are encouraged to do so.

**Transactions with Immediate Family Members**—All financial services and extensions of credits provided by the Company to a Director's spouse, minor children, and any other relative of the Director who shares the Director's home or who is financially dependent on the Director, or any such person's principal business affiliations (through ownership or as an executive officer), and all transactions between the Company and any such person's principal business affiliations for property, services, or other contractual arrangements, are in each case to be made in the ordinary course of business and on substantially the same terms as those prevailing for comparable transactions with nonaffiliated persons.

**Banking and Other Financial Services**—The Company provides banking services, extensions of credit, and other financial services in the ordinary course of its business. The Sarbanes-Oxley Act prohibits loans to Directors, as well as executive officers, except certain loans in the ordinary course of business and loans by an insured depository institution subject to Regulation O of the Board of Governors of the Federal Reserve System. Any loans to Directors are to be made pursuant to applicable law, including the Sarbanes-Oxley Act and Regulation O. Regulation O also applies to banking relationships with certain family members of a Director and to entities owned or controlled by a Director.

**Repricing of Stock Options**—It is the policy of the Board of Directors not to reprice stock options issued by the Company by reducing the option's exercise price. The Board of Directors favors equitable adjustment of an option's exercise price in connection with a reclassification of the Company's stock; a change in the Company's capitalization; a stock split; a restructuring, merger, or combination of the Company; or other similar events in connection with which it is customary to adjust the exercise price of an option and/or the number and kind of shares subject thereto.

**Clawback Policy**—The Board, or a designated committee thereof, may seek to recover from any current or former corporate officer any equity-based compensation paid during the three-year period preceding the date the Board or designated committee first learns of the matter, if the Board or designated committee thereof determines such officer engaged in one or more of the following: (i) provision of erroneous data or material noncompliance with financial reporting requirements under applicable securities laws that results in a material misstatement of the Company's financial results; (ii) a material violation of Company policy(ies); (iii) fraud; or (iv) willful misconduct. The Company will implement this Policy consistent with applicable rules or

regulations promulgated by the Securities Exchange Commission, including Section 954 of the Dodd-Frank Act.

**Expenditures and Reimbursement Policy**—The Company has adopted a Travel, Meals, and Entertainment Policy, which prohibits excessive or luxury expenditures on entertainment and events, office or facility renovations, aviation or other transportation services, or other activities that are not reasonable expenditures for conferences, director continuing education opportunities, staff development, performance incentives, or other similar measures conducted in the normal course of business operations of the Company. This policy applies to all Directors, officers, and employees of the Company.

**Stock Ownership Requirements**—It is generally desirable for Directors to own and retain a significant number of shares or share equivalents of the Company's stock, and for new Directors to work toward that goal.

**Poison Pills**—It is the policy of the Board of Directors with respect to shareholder rights plans, commonly known as poison pills, not to adopt a poison pill for the Company without submitting it to a shareholder vote, but the Board of Directors reserves the right to do so if, in its fiduciary obligations, it deems it appropriate. If, in exercising such fiduciary obligations, the Board of Directors adopts a poison pill without submitting to a shareholder vote on a prior basis, the Board of Directors will submit the poison pill to a non-binding shareholder vote at the earliest next special or annual meeting of shareholders.

**Confidential Voting**—It is the policy of the Board that proxies, ballots, and voting tabulations that identify shareholders and how they have voted will be kept confidential, except as may be required in accordance with appropriate legal processes, and that inspectors of election make appropriate oaths and certifications in accordance with applicable law.

## **Board Composition and Selection**

**Selection of New Directors**—Subject to shareholder approval of a proposal pending for consideration at the Company's 2020 Annual Meeting, Directors will be elected annually by shareholder vote at the Annual Meeting. The Board of Directors proposes a slate of nominees for consideration each year. Between Annual Meetings, the Board of Directors may elect Directors to serve until the next Annual Meeting. The Nominating and Corporate Governance Committee of the Board identifies, vets, and recommends prospective directors to the Board.

Shareholders may recommend a nominee by writing to the Corporate Secretary specifying the nominee's name and the qualifications for Board membership, in accordance with the Company's Bylaws. Any

recommendations should be brought to the attention of the Board Nominating and Corporate Governance Committee.

**Board Membership Criteria**—Directors should have the highest professional and personal ethics and values, consistent with the core values of the Company. Candidates are selected based on their character, judgment, and business experience, as well as their ability to add to the Board’s existing strengths. Directors should be able to provide insights and practical wisdom based on their experience and expertise; be committed to enhancing shareholder value; and have sufficient time to effectively carry out their duties.

Director service on other boards of public companies should be limited to a reasonable number. While the Board of Directors has not established a maximum number of Board memberships for Directors or nominees to the Board of Directors, the Board Nominating and Governance Committee will consider the commitments of a Director or nominee to other board memberships in assessing an individual’s suitability for election or reelection to the Board of Directors.

**Board Size**—As established in its Bylaws, the number of Directors who may be authorized to serve on the Company’s Board of Directors is not fewer than three (3) and not more than fifteen (15). The exact number of authorized Directors is to be established by resolution adopted by the majority of the respective Board of Directors.

The Board’s size is assessed at least annually by the Board Nominating and Corporate Governance Committee and changes are recommended to the Board of Directors when appropriate. If any nominee is unable to serve as a Director, the Board may reduce the number of Directors or choose a substitute in accordance with the Company’s Bylaws.

**Director Orientation and Continuing Education**—The Company has and will continue to maintain an orientation program for Directors that consists of written material, board retreats, and meetings with Management. New Directors are encouraged to attend meetings of all Board Committees to acquaint themselves with the workings and operations of each committee. The Board considers it important for Directors to participate in continuing education opportunities.

The Nominating and Corporate Governance Committee has developed, and the Board has approved, a program to provide for continuing Director education opportunities and considers such participation an appropriate expense to be reimbursed by the Company, following the guidelines outlined in the Travel, Meals, and Entertainment Policy.

**Term of Office**—Directors serve for a one-year term or until their successors are elected. The Board of Directors does not presently have term limits, instead preferring to rely upon the retirement and evaluation procedures described

herein as the primary methods of ensuring that each Director continues to act in a manner consistent with the best interests of the shareholders and the Company.

## **Board Responsibilities**

**Corporate Governance**—Establish principles of governance, promote a culture that understands the importance of effective corporate governance, and exercise effective governance throughout the Company.

**Strategic Planning**—Establish a long-term strategic vision for the Company. Management is to formalize this vision into a long-term strategic plan, which the Board of Directors will review and approve, and will monitor Management’s performance against the plan. Management will also prepare an annual operating budget that will be submitted, approved, and monitored by the Board of Directors.

**Risk Oversight**—Ensure that Management has effectively identified, assessed, measured, and mitigated risks to tolerance levels approved by the Board of Directors. The Board of Directors should monitor Management’s performance against those risk tolerances and understand when such limits have been breached and the action plan that Management implements to resolve.

**Compliance**—Ensure that the Company is in compliance with applicable laws and regulations, and operates in a safe and sound manner. In addition, the Board of Directors should ensure that Management has established an effective process to identify and resolve compliance or safety and soundness issues that may arise.

**Compensation & Benefits**—Oversee the Company’s compensation and benefit programs; ensure the competitiveness of these programs; and ensure that the necessary resources are available for the Company to pursue its strategies and operate in a safe and sound manner. The Board of Directors should ensure that compensation practices align employee’s motivations with the Company’s strategic plan and mitigate taking unnecessary and excessive risks.

**Qualified Leadership & Succession Planning**—Ensure the Company is effectively managed through qualified leaders who have the skills necessary to perform their duties at the highest levels. Additionally, the Board of Directors should ensure that Management has a succession plan in place to address the risks and disruptions associated with the departure of executive officers and key employees of the Company.

**Internal Controls**—Exercise oversight of the Company’s overall internal control environment and assure the integrity of the Company’s financial statements.

**Capital Adequacy**—Ensure that the Company maintains an appropriate level of capital given the level of risk held.

**Performance**—Assess and monitor whether shareholders are receiving appropriate return on their investment based on the risk assumed by the Company.

**Public Responsibility**—Ensure that the Company is a good corporate citizen by, among other things:

- Delivering quality financial products and services that allows clients to achieve their financial goals;
- Creating job opportunities for employees and citizens in the communities where the Company operates;
- Giving back through community reinvestment, community service, and community philanthropy.

## Board and Management Committees

**Board Committees**—The Board of Directors is responsible for the oversight of Management on behalf of the Company’s shareholders. The Board of Directors is assisted in its oversight function through the following Board committees:

### Board Committees

Committee	Oversight Function
Nominating and Corporate Governance Committee	Corporate Governance
Audit and Compliance Committee	Financial Reporting & Internal Controls
Compensation and Management Development Committee	Board and Management Compensation
Enterprise Risk Oversight Committee	Enterprise Risks
Fintech Committee	Information Systems

The number and responsibilities of Board committees are reviewed periodically. Committees generally report to the Board of Directors the results of their meetings at the next regularly-scheduled Board meeting. The Board of Directors and its Committees also have access to Management, information, and independent advisors, as necessary or appropriate. The specific functions and duties of these committees are described in their respective charters.

**Independent Chairs**—An independent Director chairs each of the Board committees, and the respective chairs, with input from committee members, are responsible for determining the agenda and the frequency and the length of the meetings in accordance with applicable regulations or guidelines. Agendas, schedules, and information distributed for meetings of Board committees are the responsibility of the respective chairs.

**Committee Membership**—Membership on the committees is reviewed each year by the Nominating and Corporate Governance Committee and approved by the Board of Directors, which also designates a chair or co-chair for each committee. Each committee member and chair serves at the pleasure of the Board of Directors. There is no strict committee rotation policy. Changes in committee assignments are made based on committee needs, director experience, interest and availability, and evolving legal and regulatory considerations.

In reviewing the composition of Board committees, the Board of Directors also considers any listing and/or regulatory qualifications as may be applicable to specific committees. Subject to applicable law and regulatory requirements, the Board of Directors holds the power to establish, modify, or eliminate any Board Committee or Management Committee. The Board of Directors may also establish ad hoc committees to address any particular issue. Powers not expressly delegated to a Board Committee or Management Committee are retained by the full Board.

Each of the members of the Nominating and Corporate Governance Committee, the Audit and Compliance Committee, and the Compensation and Management Development Committee will be Directors for whom the Board has made an independence determination, as defined by the NASDAQ rules. The Audit and Compliance Committee Chair must meet the financial expert standard as described in the Sarbanes-Oxley Act of 2002.

Officer-Directors generally do not serve on Board committees. Officers and non-committee member Directors may attend Board Committee meetings at the invitation of the committee chair. Special circumstances may necessitate officer-Directors to serve on certain committees.

**Management Committees**—The Chief Executive Officer is responsible for the oversight and management of the Company. The Chief Executive Officer is assisted in these functions by the following Management Committees:

### Management Committees

Committee	Chairpersons	Risk Managed
Executive Management Committee	Chief Executive Officer, Chair	Strategic Risk



Asset-Liability, Investment Committee	Chief Financial Officer, Chair	Market and Liquidity Risk
Credit Committee	Chief Credit Officer, Chair	Credit Risk
Technology and Operations Steering Committee	Chief Information Officer, Co-Chair Head of Treasury and Administration, Co-Chair	Operational Risk
Legal and Compliance Committee	Chief Compliance Officer, Chair	Legal and Compliance Risk
Compensation and Benefits Committee	Chief People Officer, Chair	Operational Risk
Public Responsibility Committee	Director of Marketing, Chair	Reputation Risk
Disclosure Control Committee	Chief Financial Officer, Chair	Financial Reporting Risk

This committee structure is designed to provide effective enterprise risk management with each Committee tasked with the responsibility of assessing, measuring, monitoring, and mitigating certain enterprise risks. The number and responsibilities of Management committees are reviewed periodically by Management and information about Management committee activities is regularly reported to the Board of Directors, either through the submission of committee minutes or in-person by the respective chairs at the request of the Chair of the Board of Directors.

## Corporate Governance Evaluation

**Chief Executive Officer Evaluation**—The Chief Executive Officer meets annually with the Board Compensation and Management Development Committee to develop appropriate goals and objectives for the year, which are then discussed with the Board of Directors. Independent Directors meet in executive session to evaluate the performance of the Chief Executive Officer for the previous year, after which the Chair of the Board, or a Director designated by the Chair of the Board, presents the results of the review to the Chief Executive Officer. The Compensation and Management Development Oversight Committee, which is comprised of independent Directors, uses this performance evaluation in considering the Chief Executive Officer's compensation.

**Executive Management Evaluation**—The Board Compensation and Management Development Committee, upon recommendation of and input from the Chief Executive Officer, reviews and approves the Chief Executive

Officer's recommendation of salary and benefits of the Executive Management team on an annual basis. The Board of Directors (largely through the Compensation and Management Development Committee) periodically evaluates the compensation plans for senior management and other key employees to ensure they are appropriate, competitive, properly aligned with the Company's strategic plan, and do not promote Management to take any unnecessary or excessive risks.

**Board Performance Evaluations**—An assessment of the Board of Directors, including performance of Board committees, and self-evaluation of each Director are to be conducted annually in accordance with an established evaluation process. At least every three years, a third-party evaluation of the Board of Directors and each Director will be conducted to gather more in-depth information on the skills, attributes, and performance of individual Directors. The Nominating and Corporate Governance Committee oversees this performance evaluation process and reviews the assessment and self-evaluations with the Board of Directors. When a third-party assessment is conducted, the third-party vendor will present its findings to the Board of Directors.

The Board Compensation and Management Development Committee makes periodic recommendations to the Board of Directors regarding Director compensation based on comparisons with relevant peer groups. The Board believes it is desirable that a significant portion of overall Director compensation be linked to the Company's stock. Non-executive Directors receive no compensation from the Company other than their Board compensation. Executive officers who are Directors receive no compensation for their Board service.

## **Board Mechanics**

**Board Agendas and Meetings**—The Chair of the Board of Directors, or the Lead Independent Director, in consultation with the Chief Executive Officer and Directors, determines the agenda, timing, and length of the meetings of the Board of Directors. In addition to regularly-scheduled meetings, other Board meetings may be called, upon proper notice and in accordance with the Company's governance documents, at any time to address specific needs of the Company. The Annual Meeting is to be scheduled in conjunction with a regularly-scheduled Board meeting.

The Board expects Directors to attend regularly-scheduled meetings and the Annual Meeting. A Board Attendance Policy has been approved by the Board of Directors and should be adhered to by Directors. Board materials, including items requiring Board approval, and financial and other performance information, should be distributed sufficiently in advance to the Board of Directors to allow for adequate review and preparation. Financial and other performance information may be periodically provided to the Board of

Directors in order to ensure the Board is kept informed of developments between meetings.

Meetings of the Board of Directors provide opportunities for Directors to perform their oversight function by assessing the financial performance of the Company; evaluating the level of risk assumed given the tolerances approved by the Board of Directors; determining the execution by Management of the Company's strategic plan; and identifying the effectiveness of internal controls. The operating heads of the major departments and operations of the Company should, from time-to-time, present to the Board of Directors regarding performance results and progress on strategic initiatives and respond to questions or requests Directors may have.

**Executive Sessions**—Independent Directors meet in executive session periodically throughout the year. These sessions provide an opportunity for discussion of such other topics as the non-executive Directors may find appropriate, with discussion to be facilitated by the chair of the committee most relevant to the topic. Additionally, independent Directors meet in executive session each year to consider and act upon the recommendation of the Compensation and Management Development Committee regarding the compensation and performance of the CEO.

**Non-Director Attendance**—At the invitation of the Chair of the Board of Directors or the Lead Independent Director, non-Directors, including Management and employees of the Company, outside advisors, members of regional advisory boards, and other individuals deemed necessary for the Board of Directors to fulfill its responsibilities, may be present at Board of Directors meetings.

**Retention or Engagement of Outside Advisors**—Management has primary responsibility for providing assistance to the Board of Directors. The Board of Directors and Board committees, if they wish to do so, may seek legal or other expert advice from a source independent of Management and shall be provided access to such resources for such purposes. Generally, retention or engagement of a third party would be with the knowledge of the Chief Executive Officer or the Chief Financial Officer, or in the case of legal counsel, the Company's General Counsel, but this is not a prerequisite.

**Board Access to Executive Management**—Directors are encouraged and provided opportunities to talk directly to any member of Executive Management to answer questions or address concerns.

**Communications with the Board of Directors**—To contact the Chair of the Board of Directors, any Director, or any Board Committee chair, please mail your correspondence to:

Altabancorp

Attn: [Board Chair / Director Name / Board Committee Chair]

General Counsel and Corporate Secretary  
1 East Main Street  
American Fork, UT 84003

**Communications with the Audit and Compliance Committee**—Interested parties wishing to communicate their questions or concerns regarding accounting, internal accounting controls, or auditing matters may bring them to the attention of the Board Audit and Compliance Committee by contacting:

**By mail:**

Altabancorp  
Attn: Chair, Audit and Compliance Committee  
1 East Main Street  
American Fork, UT 84003

**By telephone:**

1-801-642-3998

**By email:**

[InvestorRelations@altabancorp.com](mailto:InvestorRelations@altabancorp.com)

Parties may also report concerns anonymously. For complaints that are not anonymous, the Company will respect the confidentiality of those who raise concerns, subject to our obligation to investigate the concern and any obligation to notify third parties, such as regulators and other authorities.