

OPTIMUMBANK CORPORATE GOVERNANCE GUIDELINES

The Board has developed corporate governance practices to help it fulfill its responsibilities to shareholders to oversee management's work and the Company's business results. The governance practices are memorialized in these guidelines. The guidelines are also intended to align the interests of directors and management with those of OptimumBank's shareholders.

The guidelines are subject to future refinement or changes as the Board may find necessary or advisable for OptimumBank in order to achieve these objectives.

Board Selection: Independent Directors

1. Selection of Board Members. All Board members are elected annually by the Company's shareholders, except as noted below with respect to vacancies. Each year at the Company's annual meeting, the Board recommends a slate of directors for election by shareholders. The Board's nominees must be recommended by a majority of the independent directors.

The Board may fill vacancies in existing or new director positions. Such directors elected by the Board serve only until the next election of directors unless elected by the shareholders to a further term at that time.

2. Board Composition – Mix of Management and Independent Directors. NASDAQ listing standards require and the Board believes that a majority of its directors must be independent. The Board will no less than annually make an affirmative determination as to the independence of each of its directors. In determining the independence of a director, the Board will apply the definition of "independent director" in the listing standards of the NASDAQ Stock Market and applicable laws and regulations.

Independent Board Members

3. Director Nominees. The independent directors are responsible for recommending to the Board the slate of director nominees for election to the Company's board of directors. The independent directors evaluate new candidates and current directors, and recommend candidates to fill vacancies occurring between annual shareholder meetings.

4. Executive Sessions of Independent Directors. The independent directors of the Company will meet regularly in executive session, i.e., with no management directors or management present, at least two times each fiscal year. Executive sessions of the independent directors will be called and chaired by the chairperson of the Audit Committee. These executive session discussions may include such topics as the independent directors determine.

Compensation of Board Members

5. Non-Employee Board Compensation Review. Company management should report to the Board on an annual basis as to how the Company's non-employee director compensation practices compare with those of other small public banks and bank holding companies. The Board shall annually review the compensation paid to non-employee directors for meeting fees and other director compensation, if any, and make adjustments only upon recommendation of the Compensation Committee, and following discussion and unanimous concurrence by the Board. No member of the Board will act to fix his or her own compensation except for uniform compensation to directors for their services as such. Employees that are also directors will not receive additional compensation for service as a director.

Committees

6. Number and Type of Committees. The Board has 3 committees - an Audit Committee, a Compensation Committee, and an Executive Committee. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its primary responsibilities. Each committee will perform its duties as assigned by the Board of Directors in compliance with Company bylaws and the Committee's charter. Committee duties may be described briefly as follows:

- **Audit Committee**. The Audit Committee reviews the work of the Company's internal accounting and audit processes. The committee is directly responsible for the appointment, compensation, retention and oversight of the Company's independent auditors. The Audit Committee shall review and oversee all related party transactions as required by NASD listing and SEC rules, and provide reports to the Board.
- **Compensation Committee**. The Compensation Committee stays informed as to market levels of compensation and, based on evaluations, recommends the senior executive officer compensation to the Board. Compensation of the Chief Executive Officer and all other executive officers will be recommended to the Board, for determination, by the Compensation Committee. The Chief Executive Officer shall not be present during any voting or deliberations regarding his compensation.
- **Executive Committee**. The Executive Committee acts in lieu of the full Board in between regularly Board meetings as needed to direct the ongoing management of the business and affairs of the Company, including financial matters. The committee's powers are specifically limited by the Board to those not involving changes in capitalization, board composition, dividends, or corporate structure.

7. Composition of Committees; Committee Chairpersons. The Audit and Compensation Committees consist solely of independent directors. The Board will annually review the independence and experience of directors on the Audit Committee under applicable NASDAQ listing and SEC rules. The Executive Committee will have as one of its members the Chairman of the Board. The Board is responsible for the appointment of committee members and committee chairpersons.

Miscellaneous

8. Review of Governance Guidelines. The practices memorialized in these guidelines have developed over a period of years. The Board expects to review these guidelines at least every two years as appropriate.

Revised: March 19, 2009