

**EAST WEST BANCORP, INC.**  
**POLICY REGARDING DIRECTOR INDEPENDENCE DETERMINATIONS**

**Last approved: 2/26/2019**  
**Approval: Nominating/Corporate Governance Committee**

The Board of Directors (the “Board”) of East West Bancorp, Inc. (the “Company”) will determine which of its members are independent for the purposes of the NASDAQ rules on an annual basis at the time the Board approves director nominees for inclusion in the proxy statement issued in connection with the annual meeting of shareholders and, if a director is appointed to the Board between annual meetings, at the time of such appointment. The Board may determine a director to be independent if the Board affirmatively determines that the director has no material relationship with the Company (either directly as a director, partner, shareholder and/or officer of an organization that has a relationship with the Company).

Pursuant to the recommendation of the Corporate Governance and Nominating Committee, the Board has established the following standards to assist it in determining independence. Multiple relationships or transactions that individually are deemed immaterial shall not be deemed collectively to create a material relationship that would cause the director not to be independent. In the context of the other standards, the fact that a particular relationship or transaction either is not addressed or exceeds the thresholds shall not create a presumption that the director is or is not independent. In that case, the Board will determine whether, after taking into account all relevant facts and circumstances, relationships or transactions that are not addressed or that exceed the thresholds are, in the Board’s judgment, material, and therefore whether the affected director is independent.

An “independent director” is a person other than an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons shall not be considered independent:

- A. Employment/ Other Compensation. A director will not be considered independent if:
  - 1. Such director is or has been within the last three years an employee, or has a Family Member (as defined below) who is or has been within the last three years an executive

officer of, the Company (other than, with respect to such director, an interim Chairman, CEO, or other executive officer)<sup>1</sup>.

2. Such director has accepted or who has a Family Member who has accepted any compensation from the Company in excess of \$120,000 during any period of twelve consecutive months within the three years preceding determination of independence, other than the following:
    - a. Compensation for board or board committee service;
    - b. Payments arising solely from investments in the Company's securities<sup>2</sup>;
    - c. Compensation paid to a Family Member who is a non-executive employee of the Company or a parent or subsidiary of the Company;
    - d. Benefits under tax-qualified retirement plan, or non-discretionary compensation; or
    - e. Loans permitted under Section 13(k) of the Act<sup>3</sup>.
  3. Members of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee shall, to be considered independent, also be subject to additional, more stringent requirements under Rule 4350(d) of the NASDAQ Marketplace Rules and other applicable securities and banking rules.
- B. Such director is a Family Member of an individual who is, or at any time during the past three year was, employed by the Company or by any parent or subsidiary of the Company as an executive officer.
- C. Such director is, or has a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceeds 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:
1. Payments arising solely from investments in the Company's securities; or
  2. Payments under non-discretionary charitable contribution matching programs.

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<sup>1</sup> Employment by a director as an executive officer on an interim basis shall not disqualify that director from being considered independent following such employment, provided the interim employment did not last longer than one year. A director would not be considered independent while serving as an interim officer.

<sup>2</sup> Payments arising solely from investments in the company's security will not preclude a finding of director independence so long as the payments are non-compensatory in nature. Depending on the circumstances, a payment could be compensatory if it is not on terms generally available to the public.

<sup>3</sup> Loans permitted under Section 13(k) of the act will not preclude a finding of director independence so long as the loans are non-compensatory in nature. Depending on the circumstances, a loan could be compensatory if it is not on terms generally available to the public.

- D. Such director is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serve on the compensation committee of such other entity.
- E. Such director is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.
- F. Such director currently provides (or a Family Member provides) professional services directly to the Company, to an affiliate of the Company or an individual officer of the Company or one of its affiliates in excess of \$10,000 per year.

“Executive officer” means an entity’s president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the entity in charge of a principal business unit, division or function, any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the entity. See Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

“Family Member” of a director means the director’s spouse, parents, step-parents, children, step-children, siblings, mothers-in law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law and anyone (other than domestic employees) who shares the director’s home. Definition also includes an individual to whom a person [who receives] provides support of more than 50% of the individual’s annual income and a person who is claimed as a dependent for federal income tax purposes. When applying the look-back provisions of the standards, persons who are no longer Family Members as a result of legal separation or divorce or those who have died or become incapacitated shall not be considered.

“Parent of Subsidiary” is intended to cover entities the Company controls and consolidates with the Company’s financial statements as filed with the U.S. Securities and Exchange Commission (but not if the Company reflects such entity solely as an investment in its financial statements).

“Professional Services” can be characterized as advisory in nature and generally includes the following: Investment banking/ financial advisory services; Commercial banking (beyond deposit services); Investment services; Insurance services; Accounting/Audit services; Consulting services; Marketing services; Legal services.