

# FIRST WESTERN FINANCIAL, INC.

## Corporate Governance Guidelines Amend and Restated effective April 26, 2023

### Introduction; Role of the Board

The board of directors (the “Board”) of First Western Financial, Inc. (the “Company”) has adopted these policies as a general framework to assist the Board in carrying out its responsibility for the business and affairs of the Company and its subsidiaries to be managed by or under the direction of the Board. The Company will review and amend these Corporate Governance Guidelines (the “Guidelines”) as it deems necessary and appropriate.

In addition to other Board or committee responsibilities outlined below, the responsibilities of the Board include:

- reviewing, monitoring and approving the overall operating, financial and strategic plans, operating goals and performance of the Company;
- selecting, evaluating and retaining the Company’s Chief Executive Officer;
- together with the Chief Executive Officer, reviewing the job performance of elected corporate officers and other senior executives on an annual basis;
- reviewing the outside activities of senior executives;
- overseeing appropriate policies of corporate conduct and compliance with laws;
- periodically assessing the effectiveness of policies to facilitate communication between the Company’s shareholders and directors;
- reviewing the major risks facing the Company and helping develop strategies to address these risks;
- implementing and overseeing the operation of reasonable information and reporting systems or controls designed to inform the Board of material risks;
- discussing and being apprised of the Company’s position on issues related to corporate social responsibility, public policy and philanthropy;
- reviewing the process by which financial and non-financial information about the Company is provided to management, the Board and the Company’s shareholders;
- establishing policies designed to maintain the financial, legal and ethical integrity of the Company;
- monitoring and reviewing the Company’s policies and programs that relate to public issues of significance to the Company and the public at large, including but not limited to Environmental, Social and Corporate Governance (“ESG”) matters; and

- overseeing, receiving reports from and advising management on ESG matters, including but not limited to, the Company’s policies and programs pertaining to environmental sustainability, climate change, human rights, and community investment.

The Company’s senior leaders, under the direction of the Chief Executive Officer, are responsible for the operations of the Company; implementation of the strategic, financial, and management policies of the Company; identification, assessment and management of risk and risk mitigation strategies; and preparation of financial statements and other reports that accurately reflect requisite information about the Company and timely reports which inform the Board about the foregoing matters.

These policies are not intended as binding legal obligations or inflexible requirements, and are not intended to interpret applicable laws and regulations or modify the Company’s articles of incorporation or bylaws.

### **Board Composition**

*Size of the Board.* The Board will periodically review the appropriate size of the Board and may adjust the size of the Board in accordance with the Company articles of incorporation and bylaws.

*Majority of Independent Directors.* A majority of the members of the Board must be determined to be independent under the listing rules of The NASDAQ Stock Market LLC (“NASDAQ”), as may be amended from time to time (the “Listing Standards”), as well as other factors not inconsistent with the Listing Standards that the Board considers appropriate for effective oversight and decision-making by the Board. The Board also expects to have one or more management directors, including the Chief Executive Officer.

*Affirmative Determination of Independence.* The Board will affirmatively determine annually and at other times required by the Listing Standards that the directors designated as independent have no material relationships with the Company (either directly or with an organization in which the director is a partner, shareholder or officer, or is financially interested) that may interfere with the exercise of their independence from management and the Company.

Each independent director is expected to disclose promptly to the Board any existing or proposed relationships with the Company or any of its subsidiaries (other than service as a Board member or on Board committees) which could affect the independence of the director under the Listing Standards or any additional standards as may be established by the Board from time to time, including direct relationships between the Company or any of its subsidiaries and the director and his or her family members, and indirect relationships between the Company or any of its subsidiaries and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant shareholder, or has a material financial interest.

*Director Qualifications.* The Corporate Governance and Nominating Committee of the Board is responsible for reviewing, on an annual basis, the requisite skills and characteristics required for new Board members as well as the composition of the Board as a whole. This assessment will include a review of (1) members’ qualification as independent, as well as consideration of a potential candidate’s experience, areas of expertise and other factors relative to the overall composition of the Board and (2) the continued appropriateness of Board membership due to a change in the responsibility individual directors held when they were elected to the Board or for other reasons. Nominees for directors will be recommended by the Corporate Governance and Nominating Committee and approved by the full Board.

*Term Limits.* No director may stand for re-election after his or her 75th birthday. The Board believes that this age-related requirement is appropriate, but reserves the right to review and change it at any time. Other than the foregoing age-related requirement, the Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, term limits involve the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company or any of its subsidiaries and its operations and, therefore, provide an increasing contribution to the Board as a whole.

## **Board Leadership**

*Chairman of the Board.* The Board will periodically appoint a Chairman of the Board. The Board has no policy with respect to the separation of the offices of Chairman and the Chief Executive Officer, but rather believes that it is in the best interests of the Company for the Board to make such a determination from time to time, including when it elects a Chief Executive Officer.

*Lead Independent Director.* To promote the independent operation of the Board, at any time the Chairman of the Board is not independent, the Board will designate a lead independent director. The lead independent director, who is required to be independent, will (i) preside over executive sessions of the Company or any of its subsidiaries' independent directors, (ii) preside over Board meetings when the Chairman is not present, (iii) facilitate information flow and communication between the directors and the Chairman, (iv) consult with the Chairman and review and advise on the schedules and agendas for Board meetings along with the information provided to the Board in connection with such meetings, (v) be available for consultation and direct communication with major shareholders upon request, (vi) consult with the Chairman on such other matters pertinent to the Company and the Board, and (vii) perform such other duties as the Board may prescribe from time to time.

## **Director Responsibilities**

*General Responsibilities.* The Board is elected by the shareholder(s) to oversee the long-term health and the overall success of the business and its financial strength. The Board serves as the ultimate decision-making body of the Company or any of its subsidiaries, except for those matters reserved to or shared with the shareholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company or any of its subsidiaries.

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company or any of its subsidiaries and its shareholders. In discharging this obligation, directors should be entitled to rely on the honesty and integrity of the Company's or any of its subsidiaries' senior executives and its outside advisors and auditors as to matters the directors reasonably believe to be within such other person's professional or expert competence and, with respect to outside advisors and auditors, who have been selected with reasonable care by or on behalf of the Company or any of its subsidiaries. The directors will also be entitled to be covered by reasonable directors' and officers' liability insurance purchased by the Company or any of its subsidiaries on their behalf; to the benefits of indemnification to the fullest extent permitted by law and by the Company's articles of incorporation, bylaws, and any indemnification agreements; and to exculpation as provided by applicable law and the Company's articles of incorporation or bylaws.

*Attendance.* Directors are expected to attend in person Board meetings and, in person or by other means by which all participants can hear each other, meetings of Board committees on which they serve, to spend the time needed to discharge their Board duties in a reasonable manner, and to meet as frequently as necessary to properly discharge their responsibilities.

*Recusal from Interested Votes.* Directors must disclose to other directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

*Reporting and Compliance Systems.* Based on information available to the director, each director should be satisfied that the Company's or any of its subsidiaries' management maintains an effective system for timely reporting to the Board or appropriate Board committees on the following: (i) the Company's or any of its subsidiaries' financial and business plans, strategies and objectives; (ii) the recent financial results and condition of the Company or any of its subsidiaries and its business segments; (iii) significant accounting, regulatory, competitive, litigation and other external issues affecting the Company or any of its subsidiaries; and (iv) systems of control which promote accurate and timely reporting of financial information to shareholders and compliance with laws and corporate policies. Based on the information furnished by management or otherwise available to the Board, each director is expected to have a basic understanding of the foregoing matters.

## **Board Meetings**

*Agenda.* The Chairman will establish a meeting schedule and the agenda for each Board meeting, with direct input from the Chief Executive Officer (if the Chairman is not the Chief Executive Officer) and other directors. Meeting lengths will vary as business and discussion dictate. Each director also may raise at any regular Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

*Distribution of Materials.* All information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting should be distributed in writing or electronically to all members in advance, whenever feasible and appropriate. Each director is expected to review this information in advance of the meeting to facilitate the efficient use of meeting time. In preparing this information, management should ensure that the materials distributed are as concise as possible, yet give directors sufficient information to make informed decisions, and distributed in a timely manner to allow for meaningful review. Particularly sensitive matters may be discussed at the meeting without advance distribution of written materials.

*Meetings of Independent Directors.* To ensure free and open communication among the independent directors of the Board, each fiscal year the independent directors will hold two or more regularly scheduled executive sessions without non-independent directors or management present, at such times and for such purposes as the independent directors consider to be appropriate. For the convenience of the directors, these meetings may, but need not, be scheduled to coincide with the dates of regular Board meetings. The independent directors may invite the Company's independent auditors, legal counsel, other consultants or advisors, finance staff and other employees (who the Company refers to internally and throughout these Guidelines as "Associates") to attend portions of these meetings.

## **Board Committees**

*Committees.* The Board will have an Audit Committee, a Corporate Governance and Nominating Committee, and a Compensation Committee. The Board may, from time to time, establish additional committees or, subject to compliance with applicable law and the Listing Standards, dissolve or otherwise reconfigure existing committees.

*Committee Member Selection.* Committee members will be appointed by the Board endeavoring to match the committee's function and needs for expertise with individual skills and experience of appointees to

the committee. Each member of the Audit Committee, Corporate Governance and Nominating Committee, and Compensation Committee will be independent as defined in the Listing Standards, laws and regulations.

*Committee functions.* Each of the Audit Committee, Corporate Governance and Nominating Committee, and Compensation Committee will have a written charter approved by the Board in compliance with applicable Listing Standards, laws and regulations. The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the members of the committee and management, will develop the committee's agenda. At the beginning of each fiscal year, each committee will establish a schedule of agenda subjects to be discussed during the year, to the degree these can be foreseen. The schedule for each committee will be furnished to all directors. The Company will afford access to the Company's Associates, professional advisers and other resources, if needed, to enable committee members to carry out their responsibilities.

*Independent Advisors.* The Board and each committee have the power to hire independent legal, financial, or other advisors as they may deem necessary, without consulting with or obtaining the approval of any officer of the Company or any of its subsidiaries in advance.

*Audit Committee Financial Expert/Financial Literacy.* The Audit Committee must have one member that qualifies as an "audit committee financial expert" as defined by applicable rules of the Securities and Exchange Commission under Section 407 of the Sarbanes-Oxley Act of 2002 and all members should be able to read and understand fundamental financial statements in accordance with the Listing Standards. The Board shall be responsible for determining the qualification of an individual to serve on the Audit Committee as a designated "audit committee financial expert" and whether such person is "financially literate." In light of this responsibility of the Board, the Corporate Governance and Nominating Committee shall coordinate closely with the Board in screening any new candidate and in evaluating whether to re-nominate any existing director who may serve in this capacity.

### **Director Access to Leadership, Associates and Independent Advisors**

Directors have full and free access to officers, Associates and books and records of the Company as well as to the Company's outside auditors, legal counsel and other professional advisors, for any purpose reasonably related to the Board's responsibilities. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company or any of its subsidiaries and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between a director and an officer or Associate of the Company or any of its subsidiaries.

The Board, as appropriate in its judgment, will invite senior leaders of the Company or any of its subsidiaries to attend Board meetings. If the Chief Executive Officer wishes to have Company or any of its subsidiaries personnel attend meetings on a regular basis or periodic basis, this suggestion should be brought to the Board for approval. The Chairman of the Board should extend these invitations.

The main responsibility for providing assistance to the Board rests with the Company or any of its subsidiaries. The Board and its committees may seek legal or other expert advice from a source independent of management and will be provided with resources for such purposes. Generally, this would be with the knowledge of the Chief Executive Officer, but this is not a condition to retaining such advisors.

## **Director Orientation and Continuing Education**

The Board believes that director education is important to enable the Board to most effectively perform its role in the oversight of management and the affairs of the Company or any of its subsidiaries. At such time as a director joins the Board, the Board and the Chief Executive Officer will coordinate to provide appropriate orientation for the director, including arrangement of meetings with management. Director orientation will be designed to familiarize new directors with the Company's business and strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and external auditors. The Board also considers it desirable that directors participate in continuing education opportunities and will reimburse directors for reasonable expenses as appropriate. The development and oversight of an effective continuing education program for the Board will be delegated to the Company's Chairman of the Board, who will solicit input from Company's management.

## **Management Succession**

The Board will consider succession planning, including addressing the policies and principles for selecting a successor to the Chief Executive Officer, both in an emergency situation or retirement and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the Chief Executive Officer. As appropriate, the entire Board will work with the Corporate Governance and Nominating Committee to nominate and evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The Board will also consider and review succession plans for other senior leaders and will consult with the Chief Executive Officer in fulfilling this role.

## **Management Responsibility**

*Financial Reporting and Legal Compliance.* The Board's governance and oversight functions do not relieve the primary responsibilities of the Company's management to (1) make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) devise and maintain an effective system of internal accounting controls; (3) devise and maintain internal controls over financial reporting; (4) prepare financial statements that are accurate and complete and fairly present the financial condition, results of operation and cash flows of the Company; and (5) devise and maintain systems, procedures and corporate culture which promote compliance with legal and regulatory requirements and the ethical conduct of the Company's business.

*Corporate Communications.* Management also has the primary responsibility to establish policies concerning the Company's communications with investors, shareholders, the press, customers, suppliers and Associates. The Chief Executive Officer and designated management speak for the Company or any of its subsidiaries, and all inquiries received from the press or others by the Board, any officer or any Associate should be referred to the Chief Executive Officer for response.

## **Code of Business Conduct and Ethics**

The Company has a Code of Business Conduct and Ethics, which sets forth the Company's commitment to integrity and ethical behavior in all aspects of its business activity. These standards are applicable to all directors, officers and Associates, who are required to periodically verify their awareness of, and compliance with, the standards. The Code addresses several areas, including compliance with law, conflicts of interest, confidentiality of information, protection and proper use of corporate assets and the

reporting of any illegal or unethical behavior. Each director, officer and Associate is expected to be familiar with and follow the Code of Business Conduct and Ethics.

### **Transactions Affecting Director Independence**

Without the prior approval of a majority of disinterested members of the full Board, the Company or any of its subsidiaries will not make significant charitable contributions to organizations in which a director or a family member of the director is affiliated, enter into consulting contracts with (or otherwise provide indirect forms of compensation to) a director, or enter into any relationships or transactions (other than service as a director and Board committee member) between the Company or any of its subsidiaries and the director (or any business or nonprofit entity or organization in which the director is a general partner, controlling shareholder, officer, manager, or trustee, or has a material financial interest). In addition, the Company or any of its subsidiaries will at all times comply with all laws and regulations applicable to the Company or any of its subsidiaries related to transactions between the Company or any of its subsidiaries and related parties, including directors, officers and other affiliated entities.

### **Amendment, Modification and Waiver**

These Guidelines may be amended, modified or waived by the Board.

### **Disclosure of Guidelines**

These Guidelines will be made available in accordance with applicable rules and regulations.

*Adopted by Resolution of the Board of Directors  
April 26, 2023*