

SB ONE BANCORP
CORPORATE GOVERNANCE GUIDELINES
(Re-adopted January 7, 2019)

The Board of Directors (the "Board") of SB One Bancorp (the "Company") has adopted the following Corporate Governance Guidelines (the "Guidelines") to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines should be applied in a manner consistent with all applicable laws and the Company's charter and bylaws, each as amended and in effect from time to time. The Guidelines provide a framework for the conduct of the Board's business. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders.

A. Director Responsibilities

1. Oversee Management of the Company. The principal responsibility of the directors is to oversee the management of the Company and, in so doing, serve the best interests of the Company and its stockholders. This responsibility includes:
 - Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
 - Evaluating the performance of the Company and its senior executives and taking appropriate action, including removal, when warranted.
 - Requiring, approving and implementing senior executive succession plans.
 - Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with all applicable laws and regulations.
 - Developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
 - Providing advice and assistance to the Company's senior executives.
 - Evaluating the overall effectiveness of the Board and its committees.
2. Exercise Business Judgment. In discharging their fiduciary duties of care, loyalty and candor, directors are expected to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders.

3. Understand the Company and its Business. Directors have an obligation to become and remain informed about the Company and its business, including the following:
 - The principal operational and financial objectives, strategies and plans of the Company.
 - The results of operations and financial condition of the Company and of significant subsidiaries and business segments.
 - The relative standing of the business segments within the company and vis-à-vis competitors.
 - The factors that determine the Company's success.
 - The risks and problems that affect the Company's business and prospects.

4. Establish Effective Systems. Directors are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company, including the following:
 - Current business and financial performance, the degree of achievement of approved objectives and the need to address forward-planning issues.
 - Future business prospects and forecasts, including actions, facilities, personnel and financial resources required to achieve forecasted results.
 - Financial statements, with appropriate segment or divisional breakdowns.
 - Adoption, implementation and monitoring of effective compliance programs to assure the Company's compliance with law and corporate policies.
 - Material litigation and governmental and regulatory matters.
 - Directors should also periodically review the integrity of the Company's internal control and management information systems.

5. Board and Committee Meetings. Directors are responsible for attending Board meetings and meetings of committees on which they serve, and

devoting the time needed, and meeting as frequently as necessary, to discharge their responsibilities properly.

6. Reliance on Management and Advisors; Indemnification. The directors are entitled to rely on the Company's senior executives and its outside advisors, auditors and legal counsel, except to the extent that any such person's integrity, honesty or competence is in doubt. The directors are also entitled to Company-provided indemnification, statutory exculpation and directors' and officers' liability insurance.

B. Director Qualification Standards

1. Independence. A majority of the members of the Board shall be independent directors. To be considered independent: (1) a director must be independent as determined under NASDAQ Rule 4200(a)(15) and any successor thereto and (2) in the Board's judgment, the director must not have a relationship which would interfere with the exercise of the director's independent judgment in carrying out the director's duties as a member of the Board.

In addition, ownership of a significant amount of the Company's stock, by itself, does not constitute a material relationship.

2. Other Directorships. A director shall limit the number of other public company boards on which he or she serves so that he or she is able to devote adequate time to his or her duties to the Company, including preparing for and attending meetings. Service on boards and/or committees of other organizations shall comply with the Company's conflict of interest policies.
3. Tenure. The Board does not believe it should establish term limits. Term limits could result in the loss of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and an institutional memory that benefit the entire membership of the Board as well as management. As an alternative to term limits, the Nominating Committee shall review each director's continuation on the Board at least every three years. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board and allow the Company to conveniently replace directors who are no longer interested or effective.
4. Selection of New Director Candidates. The Nominating Committee shall be responsible for identifying, evaluating and recommending candidates to become members of the Board with the goal of creating a balance of knowledge, experience and interest. Stockholders may also recommend candidates to the Nominating Committee in accordance with the

procedures set forth in the Nominating Committee Charter. Candidates are reviewed in the context of current composition of the Board, the operating requirements of the Company and the long-term interests of the Company's stockholders and are evaluated for their character, judgment, business experience and acumen. In conducting this assessment, the Committee will consider and evaluate director-candidates based upon the following factors:

- (a) Whether the candidate qualifies as "independent" in accordance with the standards set forth in paragraph 1 above.
- (b) Whether the candidate has an ability to bring on-going business to the Company.
- (c) Candidates should be at least 21 years of age.
- (d) Candidates should be accomplished in their respective fields and have reputations, both personal and professional, that are consistent with the image and reputation of the Company.
- (e) Candidates should be ethical individuals of proven judgment and competence, possessing professional experience and skills that are complementary to the needs of the Company.
- (f) Candidates should have an ability to read and understand basic financial statements. The Nominating Committee will also determine if any of the candidates satisfy the criteria for being and "audit committee financial expert" as defined by the Securities and Exchange Commission.
- (g) Candidates should have knowledge of the Company and issues affecting the Company.
- (h) Candidates should be committed to enhancing stockholder value.
- (i) Candidates should understand, or have the capacity to understand, fully the legal responsibilities of a director and the governance processes of a public company.
- (j) Candidates should have demonstrated the ability and be willing to apply sound, objective and independent business judgment, and to assume broad fiduciary responsibility.
- (k) Candidates should be willing to devote sufficient time to fulfill their obligations to the Company and its stockholders.
- (l) Candidates should not have any prohibitive interlocking relationships or conflicts of interest.
- (m) Candidates should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- (n) Candidates may not be under indictment for, or have ever been convicted of, a criminal offense involving dishonesty or breach of trust and the penalty for such offense could be imprisonment for more than one year.
- (o) Candidates may not have been someone against whom a federal or state ban regulatory agency has issued a cease and desist order

for conduct involving dishonesty or breach of trust and that order is final and not subject to appeal.

- (p) Candidates may not have been found either by any federal or state regulatory agency whose decision is final and not subject to appeal or by a court to have (i) breached a fiduciary duty involving personal profit or (ii) committed a willful violation of any law, rule or regulation governing banking, securities, commodities or insurance, or any final cease and desist order issued by a banking, securities, commodities or insurance regulatory agency.
- (q) Candidates may not have been nominated by a person (or an affiliate of a person) who would be disqualified from serving as director for any of the reasons set forth in subsections (n), (o) or (p) above.
- (r) Candidates may not be a party (either directly or through an affiliate) to litigation or an administrative proceeding adverse to the Company except (i) derivative litigation brought in the name of the Company by the director in his or her capacity as a shareholder of the Company or (ii) litigation arising out of any proxy fight concerning the election of directors of the Company or otherwise involving control of the Company.

In addition to the foregoing considerations, any individual elected or re-elected to the Board after July 1, 2016 shall be required, within two years of such election or re-election, to beneficially own at least (1) 10,000 shares of the Company's common stock or (2) 5,000 shares and, to the extent permitted under the Director Deferred Compensation Agreement, defer 50% of such director's fees toward the purchase of the Company's common stock. Each director shall comply with the forgoing, as applicable, for the duration of his or her service on the Board.

C. Board Meetings

1. Selection of Agenda Items. The Chairman of the Board shall establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of agenda items and is free to raise at any Board meeting subjects that are not on the agenda for that meeting. During at least one meeting each year, the Board shall review the Company's long-term strategic plans and the principal issues that the Company expects to confront in the future.
2. Frequency and Length of Meetings. The Chairman of the Board, in consultation with the members of the Board, shall determine the frequency and length of the Board meetings. Special meetings may be called from time to time as determined by the needs of the business and in accordance with the Company's bylaws.

3. Advance Distribution of Materials. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. The Board acknowledges that certain items to be discussed at a Board or committee meeting may be of an extremely confidential or time-sensitive nature and that the distribution of materials on these matters prior to meetings may not be appropriate or practicable. Presentations made at Board meetings should do more than summarize previously distributed Board meeting materials.
4. Executive Sessions. The independent directors shall meet in executive session at least semi-annually. Annually, they shall discuss the performance of the Chief Executive Officer. The independent directors will meet in executive session at other times at the request of any non-management director. Absent unusual circumstances, these sessions shall be held in conjunction with regular Board meetings. The Vice-Chairman shall preside at these meetings.

D. Board Committees

1. Key Committees. The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating Committee. Each such committee shall have a charter that has been approved by the Board. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.
2. Committee Charters. In accordance with the applicable rules of the NASDAQ, the charters of the Audit Committee, the Compensation Committee and the Nominating Committee shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The Board shall, from time to time as it deems appropriate, review and reassess the adequacy of each charter and make appropriate changes. Such charters shall be posted, in their most current versions on the Company's website.

E. Director Access to Management and Independent Advisors

1. Access to Officers and Employees. Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and

shall, to the extent appropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

2. Access to Independent Advisors. The Board, and to the extent provided for in its charter, certain committees have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. Such independent advisors may be the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay the compensation of such advisors as established by the Board or any such committee.

F. Director Compensation

1. Form of Compensation. The Board believes that director incentives shall be in line with shareholder value; this would include equity as part of director compensation to help align the interest of directors with those of the Company's shareholders.
2. Amount of Consideration. The Company seeks to attract exceptional talent to its Board. Therefore, the Company's policy is to compensate directors at least competitively relative to comparable companies. The Compensation Committee of the Board has the authority to engage an independent Compensation Consultant for the purpose of conducting a comparison of the Company's director compensation with that of comparable companies. The Board believes that it is appropriate for the Chairman of the Board and the chairmen and members of the committees to receive additional compensation for their services in those positions.
3. Employee Directors. Directors who are also employees of the Company shall receive no additional compensation for Board or committee service.

G. Director Orientation and Continuing Education

1. Director Orientation. The Board and the Company's management shall conduct a mandatory orientation for new directors. The orientation shall include presentations by management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its outside legal advisors. In addition, the orientation shall include a review of the Company's expectations of its directors in terms of

time and effort and a review of the directors' fiduciary duties. All other directors are also invited to attend the orientation.

2. Continuing Education. Each director is expected to be involved in continuing director education on an ongoing basis to enable him or her to better perform his or her duties and to recognize and deal appropriately with issues that arise. The Company shall pay all reasonable expenses related to continuing director education.

H. Management Evaluation and Succession

1. Selection of Chief Executive Officer. The Board selects the Company's Chief Executive Officer in the manner that it determines to be in the best interests of the Company's stockholders.
2. Evaluation of Senior Executives. The Compensation Committee shall be responsible for overseeing the evaluation of the Company's senior executives. In conjunction with the Audit Committee in the case of the evaluation of the senior financial executives, the Compensation Committee shall determine the nature and frequency of the evaluation and the persons subject to the evaluation; supervise the conduct of the evaluation and prepare assessments of the performance of the Company's senior executives to be discussed with the Board periodically. The Board shall review the assessments to ensure that the senior executives are providing the best leadership for the Company over both the long and short-term.
3. Succession of Senior Executives. The Nominating Committee shall present an annual report to the Board on succession planning, which shall include transitional Board leadership in the event of an unplanned vacancy. The entire Board shall assist the Committee in finding and evaluating potential successors to the Chief Executive Officer, the Chief Financial Officer and other executive officer. The Chief Executive Officer, the Chief Financial Officer and other 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 Committee shall identify, and periodically review and reassess, the qualities and characteristics necessary for an effective Chief Executive Officer, Chief Financial Officer and other executive officer. With these principles in mind, the Board Committee should periodically monitor and review the development and progression of potential internal candidates against these standards.

I. Annual Performance Evaluation of the Board

The Nominating Committee shall oversee an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The Nominating Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance, to be discussed with the Board.

J. Board Interaction with Institutional Investors, the Press, Customers, Etc.

The Board believes that the Chief Executive Officer and his or her designees speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is, however, expected that Board members do so with the knowledge of and absent unusual circumstances or as contemplated by the committee charters, only at the request of the Company's senior executives.

K. Periodic Review of the Corporate Governance Guidelines

The Nominating Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.