## I. GENERAL INFORMATION

This insider trading policy applies to Plumas Bancorp and its subsidiaries (collectively, the "Company") and establishes procedures governing transactions in the Company's securities by the Company, its directors, officers, and employees. Failure to comply with this policy may result in serious violations of the securities laws and disciplinary action, up to and including termination of employment.

An "insider" is a person who possesses, or has access to, material information concerning the Company that has not been fully disclosed to the public (see below for a definition of "material information"). Generally, information should be considered nonpublic if it has not been disseminated through the Company's annual or periodic reports filed with the Securities and Exchange Commission ("SEC"), a broadly disseminated press release, or other means reasonably designed to provide broad, non-exclusionary distribution to the public. In addition, the investing public must be afforded sufficient time to receive and evaluate the information following its release.

Insider trading violations are not limited to trading by the insider. It is also illegal to recommend or advise that another person trade on the basis of material nonpublic information ("tipping"). Liability may extend to the "tipper," who provides the information, and the "tippee," who trades on the basis of that information.

The consequences of insider trading violations can be substantial:

For individuals who trade on inside information (or tip information to others):

• A maximum prison sentence of up to 20 years;

• A civil penalty of up to three times the profit gained or loss avoided; and

• A criminal fine (no matter how small the profit) for individuals of up to $5 million.

For a company, controlling person, or other supervisory person that fails to take appropriate steps to prevent illegal trading:

• A civil penalty of up to the greater of $1,000,000 (as adjusted by law) or three times the profit gained or loss avoided as a result of the violation; and

• A criminal penalty of up to $25 million.

If an employee violates this policy, the Company may impose disciplinary sanctions, up to and including termination of employment for cause. In addition, an SEC investigation, even if it does not result in an enforcement action, may harm the reputation of the individual and the Company and may significantly damage the individual's career.

Finally, the size of a transaction has no impact on potential insider trading liability. In the

past, even relatively small trades have resulted in SEC investigations and lawsuits.

## II. PROHIBITIONS ON TRADING BY COMPANY PERSONNEL

To avoid even the appearance of misuse of material nonpublic information, directors, officers, and all employees ("Company personnel") are prohibited from trading in the Company's securities except in accordance with this policy.

For purposes of this policy, Company securities include shares of the Company's stock, as well as any publicly traded instruments whose price is dependent upon the price of the Company's stock, such as publicly traded put or call options. If the Company issues other securities in the future, such securities will be included in this policy.

For purposes of this policy, trading includes any trading by Company personnel, either as a buyer or a seller, in Company securities. This policy does not cover cash exercises of vested stock options granted under the Company's equity compensation plans, which may be conducted at any time. However, cashless exercises that are based upon the price of the Company's stock or exercises in which a portion of the underlying shares is sold in the public market must conform to these policies.

The prohibitions under this policy extend to transactions in Company securities by members of the immediate family of Company personnel who share the same household, any other person who shares the household, and any entity or account whose transactions in Company securities are directed by, or subject to the influence or control of, Company personnel.

### a. Window Periods

Because Company personnel may have access to interim financial statements or other material non-public information relating to the Company's financial results at the end of each quarter, the trading "window" is closed to Company personnel during the last month of the fiscal quarter and does not open until two full trading days after the release of the Company's financial results.

Even during periods when the trading "window" is open, Company personnel who possess material non-public information about the Company will be subject to additional trading restrictions set out below.

The Company may, from time to time, impose additional temporary suspensions of trading because of material nonpublic information or other circumstances. Each director, titled officer, and other member of Company personnel must confirm with the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") before trading in Company securities whether a temporary suspension is in effect. The existence of a Company-imposed suspension may itself constitute confidential information and must not be disclosed.

A Plumas Bancorp stock trading-window calendar is available on the Company's Board Portal and is accessible by all employees on the Bank's intranet. The calendar is updated quarterly with blackout trading periods clearly identified.

**b. Material Non-public Information**

Company personnel who come into possession of material non-public information are prohibited from trading in Company securities until such information is made public.

This prohibition of trading while in possession of material non-public information applies at all times, including those open trading window periods in which trading by Company personnel in Company securities would otherwise be permitted.

Section III of this policy discusses information that could be deemed to be "material".

**c. Confidentiality and Tipping**

Unauthorized disclosure of internal information about the Company, whether or not for the purpose of trading Company securities, could create serious problems for the Company. Company matters or developments should not be discussed with anyone outside of the Company, except as required in the performance of specific job responsibilities and in circumstances in which the employee has a reasonable expectation that the information will be retained in confidence by the recipient and not used to trade in Company securities.

Confidentiality applies specifically (but not exclusively) to material inquiries about the Company that may be made by shareholders, reporters, investment analysts or others in the financial community. Any inquiries of this sort should be declined and should be referred to senior management, preferably the CEO. Only an authorized Company spokesperson should respond to such inquiries; all other Company personnel should say only, "No comment."

Company personnel shall not advise others to trade in Company securities on the basis of material non-public information. Even if the "tipper" does not receive a monetary benefit from the "tippee" from passing on such inside information, both parties may face criminal and civil actions for any illegal trading that result from the tip.

**d. Trading in Third Party Securities**

Company personnel may from time to time come into possession of material non-public information relating to a proposed acquisition of a publicly traded third party. In that event, such information will have been developed for the use and benefit of the Company only and will constitute confidential Company information which Company personnel may not use or disclose to others except for legitimate Company purposes. Company personnel in possession of such information are prohibited from trading in the securities of such third

parties.

**e. Officer and Director Trading Limitations**

Senior officers and directors of the Company who are subject to the provisions of Section 16 of the Securities Exchange Act of 1934 ("Section 16") will be subject to additional restrictions on purchases and sales of Company securities arising under Section 16. In addition, any trading activity in the Company's securities conducted by the CEO will be reviewed and monitored by the CFO and reported to the Corporate Governance Committee.

In addition to the trading restrictions imposed by Section 16, officers and directors shall comply with the filing requirements under Section 16 and, as applicable, SEC Rule 144 at such time as they make permitted trades in Company securities.

**f. Pre-Clearance of Trades**

To help prevent inadvertent violations and avoid even the appearance of an improper transaction, all directors, officers, and certain employees who may have access to material nonpublic information (the "Designated Insiders") must obtain written or email pre-clearance from the CFO before engaging in any transaction in Company securities, including acquisitions, dispositions, transfers, gifts, and transactions involving Company securities held in benefit plans. Designated Insiders also must obtain pre-clearance before adopting, modifying, or terminating a Rule 10b5-1 plan or other trading arrangement. The Board will notify persons designated as Designated Insiders. If the CFO is unavailable to pre-clear a transaction, the Designated Insider must contact the CEO. Pre-clearance expires at the end of the applicable open window period, unless the CFO or other authorized personnel specifies an earlier expiration or suspends the approval. Anyone uncertain whether pre-clearance is required should consult the CFO and obtain pre-clearance before proceeding.

**g. Transactions under Company 401(k) Plan**

The following are special applications of the Insider Trading Policy to transactions under certain of the Company's benefit plans:

401(k) Plan – Purchases of the Company's stock (or the Company stock fund) in the Company's 401(k) plan resulting from the periodic contribution of money to the plan pursuant to a timely payroll deduction election (i.e., "new money") can be done at any time. Purchases or sales of the Company's stock (or the Company stock fund) in the Company's 401(k) plan resulting from a previous automatic "rebalance" election (i.e., "old money") applicable to the following calendar year can be done at any time unless you are one of the Company's Section 16 officers. The Company's Section 16 officers are not permitted to make automatic rebalance elections under the Company's 401(k) plan. In addition, the following are subject to the prohibition on trading on the basis of

material non-public information contained in this Insider Trading Policy and to the restrictions applicable to Designated Insiders set forth above relating to pre-clearance procedures and blackout periods:

(a) an election to begin or terminate investing in the Company's stock or the Company stock fund of the 401(k) plan;

(b) an election to increase or decrease the percentage of periodic contributions that will be allocated to the Company's stock or the Company stock fund;

(c) an election to make an intra-plan transfer of an existing account balance into or out of, or an election to make an in-service withdrawal from, the Company's stock or Company stock fund;

(d) a "rebalance" election that applies to the Company's stock or Company stock fund other than an annual rebalance election applicable to the following calendar year;

(e) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of Company stock or the Company stock fund balance; and

(f) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company's stock or the Company stock fund.

**h. Rule 10b5-1 Plans**

Directors, officers, and other Company personnel who intend to adopt a trading plan under SEC Rule 10b5-1 must (i) pre-clear the adoption, modification, or termination of the plan with the CFO; (ii) adopt or modify the plan only while the trading window is open and while the person is not aware of material nonpublic information; (iii) act in good faith with respect to the plan; (iv) comply with all applicable cooling-off periods, certifications, limitations on overlapping plans and single-trade plans, and other requirements of Rule 10b5-1; and (v) promptly notify the CFO of transactions completed under the plan. The adoption, modification, or termination of a Rule 10b5-1 plan or other trading arrangement by a director or officer may require disclosure in a Form 10-Q or Form 10-K under Regulation S-K Item 408. Transactions under such plans also remain subject to applicable Section 16 reporting requirements.

**Hedging and Short Sales Prohibited**

Company employees and directors may not engage in short sales of Company stock; purchase or sell put options, call options, or other derivative securities relating to Company stock; or, directly or indirectly, purchase any financial instrument (such as a prepaid variable forward contract, equity swap, collar, or exchange fund) or enter into any other transaction designed to hedge or offset any decrease in the market value of Company stock.

## III. MATERIAL INFORMATION

It is impossible to define all categories of material information. Information is likely to be material if it would be considered important by an investor in making a decision regarding the sale or purchase of Company securities. Information may be significant for this purpose even if it would not alone determine the investor's decision. Company personnel should not attempt to resolve questions of materiality on their own. If questions arise whether information is material and requires an individual to refrain from trading, that individual should ask the CEO or the CFO about whether the Company treats the information as material prior to making any trade.

While it may be difficult to determine whether certain information is material, there are various categories of information that would almost always be regarded as material. Such information includes:

- Projections of future earnings or losses
- Management changes
- Changes in dividend policies
- Changes or adjustments in Company capitalization, e.g. stock splits or dividends
- Proposed acquisitions or mergers
- Stock repurchase programs
- Significant compensation plans or programs
- Internal financial information that is different from what is publicly known or anticipated
- Changes in the level of actual or anticipated loan volume or deposit growth
- New product announcements or new business ventures
- Pricing changes
- Declaring or changing dividends
- Planned stock splits, new equity or debt offerings
- Trends in classified assets
- Significant regulatory actions

This list is illustrative and is not exhaustive. Any insider who has questions about whether information is material or nonpublic must contact the CEO or CFO for guidance before trading or communicating the information to another person.

## IV. IMPLEMENTATION OF INSIDER TRADING POLICY

It is the responsibility of each employee to be familiar with the Company's Insider Trading Policy and to abide by the letter and spirit of its provisions at all times. The Company expects the strictest compliance with these procedures by all employees at every level. Failure to observe them may result in serious consequences, including the termination of employment with the Company. Any individual who has doubts as to his or her responsibilities under these guidelines must seek clarification and guidance from a

supervisor. **UNDER NO CIRCUMSTANCES SHOULD ANY COMPANY PERSONNEL ATTEMPT TO RESOLVE MATERIALITY QUESTIONS WITHOUT REFERRING THE MATTER TO THE COMPANY'S CEO OR CFO.**

Employees will be required at the beginning of employment and periodically thereafter to certify in writing that they understand and intend to comply with this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment. Certification will be documented through the signed acknowledgment and receipt of the Company's Code of Ethics.