

VENTURE BANK

WHISTLEBLOWER POLICY/PROGRAM

BOARD APPROVAL DATE: August 28, 2007

PREPARED BY: VP/Risk Management Officer

RESPONSIBILITY FOR MAINTAINING AND TIMELY REVIEW OF THIS POLICY:

RISK MANAGEMENT OFFICER

ANNUAL REVIEW DATE: AUGUST BOARD MEETING

Board policies are meant to give guidance to bank employees. Exceptions to policy should be reviewed, approved, and documented by the full Board or an appropriate committee thereof prior to commitment.

Venture Bank

Whistleblower Policy/Program

Board Approved:
Department/Individual Responsible
For Maintaining/Updating Policy:
Officer

August 28, 2007
VP/Risk Management

I. Overview

Venture Financial Group Inc. and its subsidiaries (the "Company") are committed to operating practices with the highest possible standards of service, delivered in an ethical and legal manner. The company's interactions with customers, suppliers and other requires trust, and all of the Company's directors, officers, and employees (herein referred to as "personnel") must maintain strict compliance with all applicable laws and regulations, and must refrain from fraudulent, wrongful and improper conduct.

The Company has adopted a Code of Business conduct Policy that establishes specific expectations regarding the behavior of its personnel, and is committed to maintaining an effective internal control environment to detect and to prevent or deter improper activities. Effective internal controls can also ensure the accuracy of the Company's financial reporting and related disclosures. However, even the best systems of internal controls cannot provide absolute safeguards against irregularities. Intentional and unintentional violations of laws, regulations, policies and procedures may occur, and the Company has a responsibility to investigate and address allegations of suspected fraudulent, wrongful, or improper activities.

This "Whistleblower Program" serves to document the procedures the Company will employ in addressing reports of suspected fraudulent, wrong, or improper conduct of Company personnel; as well as suspected wrongdoing or complaints related to the Company's accounting, internal controls, auditing, or financial reporting matters. For purposes of this program, an employee who reports alleged wrongdoing or improper conduct is defined as a "whistleblower". The Company's employees are encouraged to use the guidance provided by this program for reporting such conduct or complaints.

II. Procedures

Allegations of Suspected Fraudulent, Wrongful, or Improper Conduct by the Company's Personnel are to be reported to Company Management and/or the Risk Management Officer. Allegations involving the CEO and/or President are to be reported to the Audit Committee Chairman and/or the Risk Management Officer.

Allegations of Suspected Wrongdoing or Complaints relating to the Company's accounting, internal controls, auditing, or financial reporting

matters are to be reported to the Company's Audit Committee and/or the Risk Management Officer.

1. Any employee may report allegations of suspected fraudulent, wrongful, or improper conduct, including allegations reported to employees by outside parties. Reported allegations may be reported anonymously.
2. Any outside source including shareholders, accountants, vendors, etc. may report allegations. Reported allegations may be reported anonymously.
3. Reports are highly encouraged to be made in writing to assure a clear understanding of the issues being raised, but it may be made orally. Such reports should be factual rather than speculative, and contain as much specific information as possible, including name(s), dates, places, events, employee's perception of why he/she suspects the fraudulent, wrongful, or improper conduct; or wrongdoing in accounting, internal controls, auditing, or financial reporting.
4. Any employee who suspects fraudulent, wrongful, or improper conduct of Company management or other Company personnel is expected to immediately report such suspicions or allegations by notifying his/her immediate supervisor. If an employee suspects wrongdoing or improper conduct is being perpetrated by, or involves his/her immediate supervisor, or any other member of management, the matter is to be reported to the Risk Management Officer, the SVP/Human Resources or the President/CEO.
5. In the event the suspected wrongdoing or improper conduct is being perpetrated by the President/CEO, or involves complaints relating to accounting, internal controls, auditing, or financial reporting matters, the matter is to be reported to the Audit Committee Chairman.

Reports to the Audit Committee may be made in person; via e-mail to lfurman@venture-bank.com; by sending a written report to the Audit Committee Chairperson, PO Box 3800, Lacey, WA 98509-3800; or by calling the Risk Management Officer at 360-459-1100.

6. Any employee who knowingly reports or makes false allegations of wrongful conduct or improprieties shall be subject to discipline, up to and including termination of employment.
7. Confidentiality of the whistleblower's identity, the nature of the report, and the suspected person's identity is to be strictly maintained. Oral reports should be documented by the person receiving the report.

Allegations or Complaints Reported to Management

1. The person receiving the report should assess the allegations to determine whether they pertain to employee related matters; to internal fraud; to the

President/CEO; or to accounting, internal controls, auditing, or financial reporting matters.

- a. Employee related matters are to be forwarded to SVP/Human Resources for investigation.
 - b. Internal fraud allegations are to be forwarded to the Risk Management Officer for investigation.
 - c. Allegations pertaining to fraudulent, wrongful, or improper conduct involving the President/CEO or complaints relating to accounting, internal controls, auditing, or financial reporting matters are to be forwarded to the Audit Committee Chairman.
2. An investigation will be conducted, respecting the confidentiality of the whistleblower and the suspected party(ies) to the extent possible.

Allegations or Complaints Reported to the Audit Committee

1. The Audit Committee Chairman, or his or her designee, is responsible for overseeing the investigation of allegations pertaining to fraudulent, wrongful, or improper conduct involving the President/CEO, or complaints relating to accounting, internal controls, auditing, or financial reporting matters. The Audit Committee has the responsibility to oversee, document and investigate all whistleblower allegations reported to the Committee or its Chairman. Investigators (either internal or external) will be designated by the Audit Committee Chairperson and can include the Risk Management Officer, Staff Internal Auditor, members of the Audit Committee, the President/CEO, Corporate Secretary or an outside party.

If a complaint is lodged against the President/CEO an independent outside party should be hired to conduct the investigation under the direction of the Audit Committee and/or Board of Directors. The Audit Committee Chairman should designate someone other than a person who reports directly to the President/CEO to coordinate information for the investigation and/or investigators. All fees for whistleblower investigations charged by outside parties should be detailed in an engagement letter to be approved by the Board of Directors and signed by the Audit Committee Chairman.

If a complaint is lodged against any other employee or member of management the Audit Committee should have the President/CEO direct the investigation process and keep the audit committee informed where necessary. The Risk Management Officer with assistance from any other necessary personnel should conduct the investigation and report all results to President/CEO, Human Resources and Audit Committee.

Additionally, the Bank has access to assistance in whistleblower investigation through its affiliation with Washington Employer Services. The Audit Committee

or Risk Management Officer should determine if Washington Employer Services can assist in whistleblower investigations.

2. Each report received by the Audit Committee is to be logged into a tracking report and assigned a code that will be used in the investigation and reporting of the allegation. Access to files and reports is to be restricted.
3. An investigation will only be conducted if the allegation information is sufficiently specific and contains adequate corroborating evidence to warrant an investigation. The need for confidentiality of all participants in the investigation must be honored to the extent possible.
4. Investigators must be competent, trained, independent, unbiased, objective, and ethical, and observe legal and professional standards. Any outside party used must present a letter that includes the scope of work to perform as well as a fee for the work. Use of an outside consultant to perform investigation should be approved by the President/CEO or Audit Committee and Board of Directors.
5. If the identity of the whistleblower is known and to respect the privacy of the suspected party, only a general acknowledgment regarding the receipt of the allegations will be reported to the whistleblower.

Investigation of Suspected Party(ies)

1. The suspected party(ies) of a whistleblower investigation has the right to consult with a person or persons of their choice. This may involve representation, including legal representation.
2. The suspected party(ies) has a responsibility not to interfere with the investigation. They are not to withhold, tamper, or destroy evidence or influence, coach or intimidate witnesses. Unless there are compelling reasons to the contrary, subjects should be given the opportunity to respond to material points of evidence contained in an investigation report.

Reporting Requirements of a Whistleblower Initiated Investigation to the Audit Committee

1. At the conclusion of a whistleblower investigation, a written report that provides the findings of the report, including a summary of the evidence gathered and a conclusion as to whether or not the allegations are substantiated is to be completed and logged into the Audit Committee's tracking report.
2. The tracking report documenting all whistleblower allegations to the Audit Committee and the actions taken to resolve them will be reviewed by the Audit Committee at least quarterly, and subsequently to the Board through the Audit Committee's minutes.

3. Records of whistleblowing complaints, investigations, and reports are to be retained for at least seven years.

Program Monitoring

1. The Audit Committee is responsible for monitoring the effectiveness and compliance of the Whistleblower Program.
2. This Program is to be reviewed at least annually by the Audit Committee and changes made as necessary.

Non-Retaliation

1. No adverse personnel action will be taken against an employee of the Company, nor will retaliation against such person be tolerated, for the disclosure of information the employee made in good faith believing that their complaint involved:
 - a. A violation of any law;
 - b. Gross mismanagement;
 - c. An abuse of authority;
 - d. Fraudulent or dishonest conduct;
 - e. A breach of internal controls; or
 - f. Improper or fraudulent accounting, auditing, or financial reporting.
2. No supervisor, manager, or any other employee with authority to make or materially influence significant personnel decisions shall take an adverse personnel action against an employee in knowingly retaliating for disclosing alleged wrongful conduct or improprieties. Any employee found to have so violated this procedure shall be disciplined, up to and including termination of employment.
3. Complaints of alleged retaliation are to be directed to the person that the whistleblower complaint was first reported to, to Human Resources, or to the President/CEO.