

HERITAGE COMMERCE CORP

EXECUTIVE AND PRINCIPAL FINANCIAL OFFICERS CODE OF ETHICS

as adopted by Audit Committee of the Boards of Directors of
Heritage Commerce Corp and Heritage Bank of Commerce
On March 028, 2013

Introduction

The SEC has adopted Item 406 of Regulation S-K, implementing Section 406(a) of the Sarbanes Oxley Act of 2002. These provisions require companies subject to SEC reporting requirements to disclose whether or not they have adopted a code of ethics to be applied to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions ("Principal Financial Officers"). This Code of Ethics is adopted in response to these provisions.

I. GENERAL POLICY STATEMENT

It is the policy of the Company that the Company's Principal Financial Officers conduct business in accordance with the highest ethical standards in order to merit and maintain the complete confidence and trust of its customers, shareholders, regulators and the public in general. Principal Financial Officers must conduct their personal affairs and manage their business transactions in a manner which does not result in adverse comments or criticism from the public or in any way that damages the Company's reputation as a responsible financial services organization.

This Code of Ethics for Principal Financial Officers is intended to supplement the requirements in the Heritage Commerce Corp's Professional Code of Ethics that is applicable to all officers and employees of the Company.

II. CODE OF ETHICS

A. Honest and Ethical Conduct. It is the policy of the Company for all Principal Financial Officers to act in an honest and ethical manner, including the handling of actual or apparent conflict of interest between personal and professional relationships. The Company expects its Principal Financial Officers to use good judgment and high ethical standards and to refrain from any form of illegal, dishonest or unethical conduct. Additionally, Principal Financial Officers may not personally, or cause anyone else to, influence, coerce, manipulate or mislead any accountant engaged in preparing an audit for the Company or its subsidiary Bank. You may not compete with the Company and may never let business dealings on behalf of the Company be influenced - or even appear to be influenced - by personal or family interests.

B. Full, Fair, Accurate, Timely and Understandable Disclosure. It is the policy of the Company that Principal Financial Officers provides shareholders and financial markets with full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to the Securities Exchange Commission and other public communications. The Company realizes that only through such disclosure can shareholders truly analyze the credibility of the Company and its subsidiary Bank.

C. Compliance with Applicable Governmental Laws, Rules and Regulations. Principal Financial Officers must fully comply with the spirit and intent of all applicable laws, regulations and corporate governance standards of all markets on which or through which the Company's securities may be traded.

D. Internal Reporting of Code Violations. The Company and its subsidiary Bank are committed to establishing procedures that will permit the receipt, retention and treatment of complaints received by the Company regarding violations of this Code. The Principal Financial Officers will proactively promote both ethical behavior and compliance with this Code of Ethics. Principal Financial Officers should report violations of laws, rules, regulations or this Code to the Audit Committee. The Company and its subsidiary Bank will not permit retaliation against any employee for reports of breaches of this Code made in good faith. An anonymous complaint can be made by email to Audit.Chairman@herbank.com or in writing to Mr. Humphrey Polanen, Chairman of the Audit Committee, Heritage Commerce Corp, P. O. Box 90599, San Jose, CA. 95109

E. Accountability: It is the responsibility of each Principal Financial Officer to be familiar with this Code and the Professional Code of Ethics. Principal Financial Officers who violate the provisions of this Code may be subject to discipline, including, but not limited to, dismissal from employment.

III. DISCLOSURES

A. Disclosure of Code of Ethics. Under SEC rules, the Company is required to make a copy of its Code of Ethics publicly available. The Company will accomplish this by filing its Code as an exhibit to its 10-K, 10-Q or 8-K.

B. Waivers: The full Audit Committee has to authorize any waivers via prior written consent, for subsequent acceptance by the Board of Directors. Any waiver must be promptly disclosed to shareholders via a Form 8-K, or in 10-K statement

ACKNOWLEDGEMENT

I acknowledge that I have received and read the **Heritage Commerce Corp/Heritage Bank of Commerce Executive and Principal Financial Officers Code of Ethics**, and understand my obligations to comply with the Code.

Please sign here: _____ Date:

Please print your name: _____