

BANK OF THE OZARKS, INC.
BANK OF THE OZARKS
CORPORATE GOVERNANCE PRINCIPLES
As Revised March 21, 2006

Introductory Statement and Purpose

The basic responsibility of the Boards of Directors (each, the “Board” and collectively, the “Boards”) of Bank of the Ozarks, Inc. (the “Parent”) and its subsidiary, Bank of the Ozarks (the “Bank”; and together with the Parent, the “Company”), is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. As used in the Corporate Governance Principles, the term “Committee” is intended to mean, with respect to the Parent, a committee of the Parent’s Board, and with respect to the Bank, a committee of the Bank’s Board. As the respective Boards of the Parent and the Bank are composed of the same individuals, and in order to promote efficiency of operation, each Parent Board Committee meets jointly with its counterpart Bank Board Committee. Each Committee follows a separate meeting agenda where appropriate, to address those matters to be considered separately by that Committee.

1. Director Responsibilities

Directors are expected to attend Board meetings and meetings of Committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. 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 communicated to the directors before the meeting, and directors should review this information in advance of the meeting. In discharging their obligations, directors should be entitled to rely on the honesty and integrity of the Company’s officers, its outside advisors, and auditors. The members of the Board shall also be entitled to have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company’s charter, by-laws and any indemnification agreements, and to exculpation from personal liability for their actions or omissions, as provided by state law and the Company’s charter.

2. Director Qualifications

The Nominating and Governance Committee of the Board is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. Nominees for directorship will be selected by the Nominating and Governance Committee in accordance with the qualification standards set forth on Schedule 1 and other qualifications as the Committee may periodically establish.

The Board does not believe it should establish term or age limits. While such limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term or age limits, the

Nominating and Governance Committee will review each director's continuation on the Board every year, including whether the director has had a significant change in his or her business or professional circumstances during the past year. This will allow each director the opportunity to conveniently confirm his or her desire or ability to continue as a member of the Board.

3. Role of Non-Management Directors

Each Board will have a majority of non-management directors who meet the criteria for independence required by the rules of the Securities and Exchange Commission (“SEC”) and The NASDAQ Stock Market, Inc. (“NASDAQ”) for NASDAQ-listed issuers. The Board will make an affirmative determination annually as to the non-management directors that are deemed to qualify as “independent” within the meaning of SEC and NASDAQ rules.

The non-management directors will meet, without management, in executive session at least quarterly. The director who presides at these meetings will be chosen by the non-management directors, and his or her name will be disclosed in the annual proxy statement.

4. Agenda for Board Meetings

The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Additionally, each Board member is free to raise at any 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.

5. Board Committees

The Board will have at all times an Audit Committee, a Personnel and Compensation Committee and a Nominating and Governance Committee. All of the members of these committees will be independent directors under the criteria established by the SEC and NASDAQ for NASDAQ-listed issuers. Committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee with consideration of the desires of individual directors. It is the sense of the Board that consideration should be given to rotating Committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each Committee will have its own charter. The charters will set forth the purposes, goals, and responsibilities of the Committees as well as qualifications for Committee membership. The charters will also provide that each Committee will annually evaluate its performance.

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 appropriate members of the Committee and management, will develop the Committee's agenda. The meeting schedule for each Committee will be furnished to all directors.

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

The Board may, from time to time, establish or maintain additional Committees as necessary or appropriate.

6. Director 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 (“CEO”) 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 and will, to the extent appropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board meeting of senior officers or other members of management of the Company who (a) can provide additional insight into the items being discussed because of personal involvement or expertise in these areas and/or (b) are individuals who the senior officers believe have future potential and who should be given exposure to the Board. Board meetings may also be attended from time to time by outside advisors, to the extent such advisors’ participation is deemed necessary and appropriate by the senior officers of the Company to assist the Board in understanding the material being presented to the Board.

7. Director Compensation

The form and amount of director compensation will be determined by the Personnel and Compensation Committee in accordance with the policies and principles set forth in its charter, and the Personnel and Compensation Committee will conduct an annual review of director compensation. The Personnel and Compensation Committee will consider that directors’ independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

8. Director Continuing Education

All directors will attend continuing education programs with senior management as required by the rules and regulations of NASDAQ for NASDAQ-listed issuers and as determined by the Nominating and Governance Committee upon the recommendation of management. The agenda for this program will be set by the appropriate executive officers with the input of the Nominating and Governance Committee.

9. Selection of Chairman and CEO

The Board should be free to make this choice any way that seems best for the Company and its shareholders at a given point in time. The Board therefore has no policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company and its shareholders for the Board to make a determination about separation of these offices when the Board elects the chief executive officer (“CEO”).

10. CEO Evaluation and Management Succession

The Personnel and Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Personnel and Compensation Committee's minutes in order to ensure that the CEO is providing the best leadership for the Company.

The Nominating and Governance Committee should make an annual report to the Board on succession planning. The Company's succession planning should include policies and principles for CEO selection as well as policies regarding succession in the event of an emergency or the retirement of the CEO. The entire Board will work with the Nominating and Governance Committee to nominate and evaluate potential successors to the CEO. The CEO 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.

11. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

12. Board Interaction with Investors, the Press, Customers, etc.

The Board believes that the management should speak for the Company in accordance with the Company's public disclosure practices. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. But it is expected that Board members would do this with the knowledge of the executive officers and, absent unusual circumstances or as contemplated by the Committee charters, only at the request of an executive officer.

Schedule 1

Qualifications of Members of the Board of Directors of Bank of the Ozarks, Inc. Bank of the Ozarks

As Revised March 21, 2006

As contemplated by the Corporate Governance Principles, the Boards of Directors (each, the “Board” and collectively, the “Boards”) of Bank of the Ozarks, Inc. (the “Parent”) and its subsidiary, Bank of the Ozarks (the “Bank”; and together with the Parent, the “Company”) have approved, upon the recommendation of the respective Nominating and Governance Committees, these qualifications for directors. As used in these qualifications, the term “Committee” is intended to mean, with respect to the Parent, the Nominating and Governance Committee of the Parent, and with respect to the Bank, the Nominating and Governance Committee of the Bank. In assessing potential new directors, the Nominating and Governance Committee considers individuals from various disciplines and diverse backgrounds. As a primary consideration the Board seeks members with complementary individual backgrounds which maximize perspective and ensure a wealth of experience to enable the Board to make better informed decisions.

Board candidates are considered based upon various criteria in the context of an assessment of the perceived needs of the Board at that point in time. The following are important, but not necessarily all, attributes that should be possessed by a director:

- (a) The highest personal and professional ethics, integrity and values, and a commitment to representing the long-term interests of the Company’s shareholders.
- (b) An inquisitive and objective perspective, practical wisdom and mature judgment, and the ability to exercise informed judgment in the performance of his or her duties.
- (c) Commitment of sufficient time and attention to discharge his or her obligations.
- (d) A distinguished record of leadership and success in his or her arena of activity.
- (e) A strong educational background.
- (f) Strong community ties in our banking markets that can assist the Company from time to time in its business development efforts.

In addition to the foregoing qualifications, the Board and its committees will satisfy all applicable requirements of the federal securities laws and the corporate governance requirements of The NASDAQ Stock Market, Inc. (“NASDAQ”) for NASDAQ-listed issuers. Specifically, in approving the candidates for election as director, the Nominating and Governance Committee will also assure that:

- (a) at least a majority of the directors serving at any time on the board are independent, as defined under the rules of NASDAQ or such other principal stock market on which the Company’s common shares are listed for trading;

- (b) at least three of the directors satisfy the financial literacy requirements required for service on the audit committee under the rules of NASDAQ or such other principal stock market on which the Company's common shares are listed for trading;
- (c) at least one of the directors qualifies as an audit committee financial expert under the rules of the Securities and Exchange Commission;
- (d) at least some of the independent directors have experience as senior executives of a public or substantial private company; and
- (e) at least some of the independent directors have general familiarity with the banking industry.

Directors are encouraged to limit the number of boards on which they serve, given their time commitment to the Board and its Committees. Directors should advise the Chairman of the Board and the Nominating and Governance Committee prior to accepting an invitation to serve on the board of another public company or another financial institution.