



## **Corporate Governance and Nominating Committee Charter**

### **Purpose**

The purpose of the Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors of Middlefield Banc Corp (the “Company”) is to (1) identify and recommend individuals to the Board for nomination as members of the Board and its committees; (2) develop and recommend to the Board a set of corporate governance principles applicable to the Company; and (3) lead the Board in its annual review of the Board’s performance.

### **Committee Membership**

The Committee shall consist of three or more members of the Board, each of whom the Board has determined to be “independent” in accordance with the Nasdaq listing standards and any other applicable laws, rules, or regulations regarding independence in effect from time to time.

The members of the Committee shall be appointed and replaced by the Board. Members shall serve at the pleasure of the Board and for such term, or terms, as the Board may determine.

### **Committee Structure and Operations**

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically at least twice a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

### **Committee Duties and Responsibilities**

The following are the duties and responsibilities of the Committee:

1. Make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size of the Board or any other committee thereof.
2. Identify individuals believed to be qualified to become Board members, and to recommend to the Board the nominees to stand for election as directors at the annual meeting of shareholders. In the case of vacancy in the office of a

director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by shareholders.

In nominating candidates, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with business and other organizations of comparable sizes, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidates would be a desirable addition to the Board and any committees of the Board. The Committee may consider candidates proposed by management.

3. To develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between the Company and a director.
4. In the case of a director nominee to fill a Board vacancy created by an increase in the size of the Board, make a recommendation to the Board as to the class of directors in which the individual should serve.
5. Identify Board members qualified to fill vacancies on any committee of the Board (including the Committee) and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of the committee, if any, as well as any other factors it deems appropriate including without limitation the consistency of the candidate's experience with the experience of other committee members.
6. Make reports to the Board on the activities of the Committee.
7. Conduct an annual assessment of the Board and each committee utilizing a questionnaire to evaluate performance for the purpose of improving Board and committee processes and effectiveness.
8. Review and reassess the Corporate Governance Guidelines of the Company and recommend any proposed changes to the Board.
9. Review and reassess the Company's Code of Conduct and Code of Ethics for Financial Professionals and recommend any proposed changes to the Board.
10. Prepare and issue the evaluation required under "Performance Evaluation" below.
11. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board and committee members.

### **Delegation to Subcommittee**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. Each subcommittee shall consist of no fewer than two members of the Committee.

### **Performance Evaluation**

The Committee shall produce and provide to the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of the charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

### **Authority of the Committee**

The Committee does not set Board policy, but rather it monitors, advises, and recommends courses of action to the full Board of Directors.