



COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE CHARTER

I. Purpose

The Boards of Directors of California BanCorp (the “Bancorp”) and California Bank of Commerce, N.A. (the “Bank” and together with the Bancorp, the “Company”) have established a joint Compensation, Nominating and Governance Committee (the “Committee”), with the authority, responsibilities, and specific duties as described in this charter. References herein to the “Board” or “Board of Directors” are the boards of directors of both the Bancorp and the Bank, as applicable. The purpose of the Committee is to assist the Board in fulfilling its responsibility for: (i) assessing and determining the compensation of the Company’s executives including, but not limited to determining the compensation of the Company’s Executive Chairman; Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the other Executive Officers for the Company; (ii) discharging the Board’s oversight of the Company’s other compensation policies, benefits and practices; (ii) identifying individuals qualified to become Board members, as the case may be; (iii) recommending to the Board(s) the director nominees for the Company’s respective annual meeting of shareholders; and (iv) recommending to the Board(s) the members of each of the committees of the Board(s).

The Committee will also administer the Company’s Corporate Governance Policy, review the content of the Policy annually, and lead the Boards in their annual review of their respective performance, composition, and structure.

For purposes of this Charter, the term “Executive Officer” means (1) an “officer” as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (a “Section 16” Officer”), and (2) any other officer who is not a Section 16 Officer and who reports directly to the Company's Chairman and CEO.

II. Membership

A. Appointment and Removal

The members of the Committee are appointed by and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal by the Board. The members of the Committee may designate a Chair by majority vote of the full Committee membership. Committee members may be removed, without cause, by the affirmative vote of the majority of the Board at any time. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board, the Corporate Secretary or the full Board (unless the notice specifies a later time for the effectiveness of such resignation).

B. Constitution of the Committee

The Committee shall consist of at least three (3) members of the Board as appointed by the Board, each of whom shall: (i) qualify as an “independent director” under the applicable listing rules of Nasdaq Market LLC (“Nasdaq Rules”); (ii) satisfy the independence standards for members of a compensation committee under the applicable Nasdaq Rules; (iii) be a “non-employee director” as defined in Rule 16b-3 of the Exchange Act; (iv) satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code, as amended (the “Code”); and (v) satisfy such other requirements under such other statutes, rules and regulations as the Board determines are appropriate.

In determining whether a director is eligible to serve on the Committee, the Board must consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director’s judgment as a member of the Committee.

A director may not serve as a member of the Committee if such director accepts directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof other than (i) fees received as a member of the Board, the Committee or any other committee of the Board; or (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service).

III. **Meetings**

The Committee shall meet as necessary, but at least once each year, to enable it to fulfill its responsibilities and duties as set forth herein. In lieu of a meeting, the Committee may act by unanimous written consent. Members of the Committee may participate in meetings in person, by video or teleconference. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the Committee. In the absence of a quorum, a majority of the members of the Committee present may adjourn any meeting, from time to time, until a quorum is present. No notice of any adjourned meeting need be given other than by announcement at the meeting that it is being adjourned. The Committee may invite directors, officers, or employees, consultants, outside counsel or other advisors to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The Committee shall report its actions to the Board and keep written minutes of its meetings, which shall be recorded and filed with the books and records of the Company.

IV. Authority

The Committee has the authority, to the extent it deems necessary or appropriate in its sole discretion to:

- Retain, oversee, and terminate outside counsel or other experts or consultants, as it deems appropriate, including sole authority to approve the fees and other retention terms for such persons.
- Ensure any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Bank, as the case may be, and the Committee will take all necessary steps to preserve the privileged nature of those communications.
- Delegate all or portion of its duties and responsibilities to a subcommittee of the Committee.

V. Duties and Responsibilities

(a) **Discharge of Compensation Oversight Responsibilities**. In addition to the aforementioned and in connection with the Committee's obligations to discharge the oversight responsibilities of the Boards in connection with their respective compensation programs, the Committee shall:

- Regularly review the Company's management resources, succession planning and development activities.
- Review the compensation of the directors for service on the Boards and the committees of such Boards and making recommendations to the Boards concerning such compensation.
- Ensuring that the Company's compensation policies, benefits, practices, and programs do not encourage (i) Executive Officers to take unnecessary and excessive risk that threaten the value of the Company, and (ii) the manipulation of reported earnings of the Company to enhance the compensation of any of the Company's employees.
- Annually review the director compensation, including (but not limited to) cash and equity awards, and provide to the Boards any recommended changes to such compensation. The Boards retain the authority to set the compensation of their respective non-employee directors.
- Annually review and approve goals and objectives relevant to the Company's Chairman and CEO and other Executive Officers' compensation.
- Evaluate the performance of the Company's Chairman and CEO and other applicable Executive Officers in light of the approved performance goals and objectives of the Company's

executive compensation plans and the Chairman and CEO's individual performance goals and make recommendations to the Boards concerning the Chairman and CEO's compensation levels based on this evaluation. The Chairman and CEO may not be present during voting or deliberations on his or her respective compensation. The Committee shall monitor compensation trends, solicit independent advice where appropriate, and ensure that executive compensation plans are sufficient to attract and retain high quality executives.

- Annually review and determine base salary, incentive compensation and long-term compensation for the Chairman and CEO, CFO and any other Executive Officers and report the Committee's determination to the Boards. In determining long-term incentive compensation, the Committee may consider, among other factors, the performance of the Company, relative stockholder return, the value of similar incentive awards to individuals at the applicable executive officer position at comparable companies and the awards given to such executive officer in past years.
- The Committee shall review and determine any salary continuation agreements or other contractual arrangements with any Executive Officers, including any material modifications of same.
- Annually review and determine the granting of base salary, incentive compensation and long-term compensation for the Chairman and CEO, CFO, and any other Executive Officer (and any other "covered executive" as contemplated by Section 162(m) of the Code) that may be subject to the deduction limitations of Section 162(m) of the Code. In determining compensation for such "covered executives," the Committee shall have the authority and discretion to grant non-deductible compensation to such executives.
- As may then be made applicable to the Company by the regulations of the U.S. Securities and Exchange Commission (the "SEC"), annually review and discuss with management the Compensation Discussion and Analysis ("CD&A") and make an appropriate recommendation to the Company's Board concerning inclusion of the CD&A in the annual proxy statement or its Annual Report on Form 10-K (as the case may be).
- Produce an annual report on executive compensation for inclusion in the Company's annual proxy statement, if then applicable to the Company, that complies with the rules and regulations of the SEC.
- To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

- In consultation with and based upon the advice of outside counsel, monitor the disclosure in the Company's proxy statement.
- The Committee shall have the authority to retain, oversee, and terminate any compensation consultant to be used to assist in the evaluation of the Chairman and CEO, other Executive Officers, and director compensation, including the sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or outside legal, accounting, or other advisors as it deems necessary to carry out its duties. In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than the Company's in-house counsel), the Committee must take into consideration the factors specified in the Rule 5605(d)(3)(C) and Rule 10C-1(b)(1) of the Exchange Act. Fees will be borne by the Company.
- Make recommendations to the Boards with respect to new cash-based incentive compensation plans and equity-based compensation plans.
- Review Executive Officer compensation for compliance with Section 16 of the Exchange Act and Section 162(m) of the Code, as each may be amended from time to time, and any other applicable laws, rules, and regulations; provided, however, that the Committee shall have the authority and discretion to grant non-deductible compensation to the Chairman and CEO, CFO, and any other Executive Officer.
- Annually review employee compensation strategies, benefits, and equity programs. The Committee shall review personnel policies and any similar documents relating to personnel matters. The Committee shall also annually review group health insurance and workers compensation insurance and be informed of any changes to such employee plans.
- Review and approve employment agreements, severance arrangements, and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.
- Administer the Company's equity compensation plans.
- Determine and certify the equity awards awarded under corporate performance-based plans.
- Grant options and awards under the equity compensation plans.
- Conduct an annual review of the Committee's performance.

- Regularly report to the Boards on the Committee’s activities.
 - Perform any other duties or responsibilities expressly delegated to the Committee by the Company’s Board from time to time.
 - Discuss, evaluate, and review with the Chief Risk Officer :
 - (A) Executive Officer compensation policies, benefits, practices and programs to ensure that the Executive Officer compensation plans do not encourage the Executive Officers to take unnecessary and excessive risks that threaten the value of the Company; and as part of the above assessment of the Executive Officer compensation policies, benefits, practices and programs, the Committee should identify the features in the Company’s Executive Officer compensation policies, benefits and practices that could lead Executive Officers to take these risks and the features of the employee compensation plans that pose risks to the Company, including any features in the Executive Officer compensation plans and the employee compensation plans that would encourage behavior focused on short-term results and not long-term value creation.
 - (B) The employee compensation policies, benefits, practices and programs to ensure these policies, benefits and practices do not encourage the manipulation of reported earnings of the Company to enhance compensation of any of the Company’s employees and as part of the above assessment of the employee compensation policies, benefits, practices and programs. The Committee should identify and eliminate the features in these policies, benefits and practices that could encourage the manipulation of reported earnings of the Company to enhance the compensation of any employee.
 - (C) Report the Committee’s findings and any actions taken by the Committee as a result of the Committee’s discussion, evaluation, and review of the Company’s compensation policies, benefits, practices, and programs with the Company’s Chief Risk Officer.
- (b) **Discharge of Duties and Responsibilities Relating to Director Nominations and Recommendations.** In addition to the aforementioned and in connection with the Committee’s obligation relating to the identification of individuals qualified to become Board members and recommending to the Boards the director nominees for the Company’s respective annual meeting of shareholders, the Committee shall also:
- Consider criteria for identifying and selecting individuals who may be nominated for election to the Boards which shall reflect at a minimum all applicable laws, rules, regulations and listing standards and the guidelines for selection of nominees set forth in the Company’s Corporate Governance Policy, including potential candidates’

experience, areas of expertise and other factors relative to the overall composition of the Boards.

- At least annually, evaluate the size and composition of the Boards and each committee in light of the operating requirements of the Company and existing corporate governance trends, including consideration of appropriate areas of expertise to be represented on the Boards and each committee, and report its findings and any recommendations to the Boards.
- Recommend to the Boards the slate of nominees for election to the Boards at the annual meeting of shareholders. Evaluate the incumbent directors whose terms expire at the upcoming meeting, determine whether those individuals satisfy the qualification criteria for continued membership on the Board of Directors, and make a determination as to whether to recommend such incumbent directors to serve for an additional term on the Boards. In accordance with SEC requirements, the Boards shall discuss and consider each such individual's specific experience, qualifications, attributes, or skills, including particular areas of expertise or other relevant qualifications, which indicate that the individual should serve as a director, in light of the Company's business and structure; and shall cause appropriate disclosure concerning such matters to be made in the Company's annual proxy statement.
- The Committee will review the appropriateness of continued service on the Board of any director who has changed his or her employment or principal occupation or who accepts or intends to accept a directorship with another company that he or she did not hold on most recently elected to the Board.
- Consider unsolicited nominations for Board membership in accordance with the Company's bylaws, as applicable, and guidelines developed by the Committee.
- As the need arises, conduct searches for prospective directors. Each nominee will be considered both on individual merits and in relation to existing or other potential members of the Board, with a view to establishing a well-rounded, diverse, knowledgeable, and experienced Board. The Committee shall conduct reviews as appropriate into the background and qualifications of director candidates.
- As the need arises to fill vacancies, actively seek qualified individuals for recommendation to the Board. Consider bona fide candidates recommended by shareholders for nomination for election to the Board.
- As necessary in the Committee's judgment from time to time, retain and compensate third party search firms to assist in identifying or evaluating potential nominees to the Board.

(c) **Discharge of Duties and Responsibilities Relating to Administration of the Corporate Governance Policy.** In addition to the aforementioned and in connection with the

Committee's duties and responsibilities relating to the administration of the Policy, the Committee shall also:

- Annually review the Policy and make recommendations to the Boards, as applicable, concerning corporate governance principles.
- Periodically assess the effectiveness of the Board in meeting their respective responsibilities representing the long-term interests of the Company's shareholders.
- Monitor the orientation and continuing education program for directors.
- Report annually to the Board an assessment of their performance and that of each of the Board committees.
- Review and assess, at least annually, the adequacy of the Company's Corporate Governance Guidelines in light of the legal and regulatory requirements applicable to the Company, its directors, officers and employees, and report to the Boards any recommendations it may have in connection therewith.
- The Committee shall have the authority to review, oversee and approve or ratify, or recommend to the Boards for approval or ratification, any insider or related party transactions (as defined in Item 404 of Regulation S-K), as and to the extent provided in the Company's Related Party Transaction Policy. The Committee shall report to the Board with respect to any related party transactions approved or ratified by the Committee. The Committee also shall consider issues brought to its attention involving other possible conflicts of interest involving directors and Executive Officers.
- Review and assess, at least annually, the adequacy of the Company's Principles of Business Conduct & Ethics Policy ("Code of Ethics").and have ultimate responsibility for determining matters of interpretation with respect to the non-audit related portions of the Code of Ethics, and for making all final decisions concerning any disciplinary actions relating to those portions of the Code of Ethics.
- Review and maintain oversight of matters relating to the independence of Board and committee members, in light of the independence standards of the Sarbanes Oxley Act of 2002, the SEC, and the Nasdaq Rules.
- Periodically review, with the Chairman of the Board and CEO, the succession plans of the Company relating to positions held by Executive Officers, directors, and the Chair, and make recommendations to the Board of Directors with respect to management and director succession.
- Make regular reports to the Board concerning its activities.

VI. Charter Review

The Committee will review and reassess the adequacy of this Charter at least once a year and recommend any proposed changes to the Company's Board. In addition, to the extent and in the manner that the Company is legally required to do so by the rules of the SEC, the Committee will cause the Company to publicly file this charter (as then constituted) and publish it on the Company's web site at <http://ir/californiabankofcommerce.com/corporate-overview/documents/default.aspx>. The Committee shall also perform an annual evaluation of its own performance. In conducting this review, the Committee shall address all matters that it considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board; the manner in which they were discussed or debated; and whether the number and length of meetings of the committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

VII. Committee Resources

The Committee shall be empowered to engage or compensate independent legal, accounting, or other advisors as it determines necessary to carry out its duties, including the sole authority to retain and terminate any search firm to be used to identify director candidates and to approve such firm's fees and other retention terms.

VIII. Consistency with Articles of Incorporation and Bylaws

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Articles of Incorporation or Bylaws of the Company, the Articles of Incorporation or Bylaws, as appropriate, shall fully control.

IX. Amendment

This Charter and any provision contained herein may be amended or altered by the Company's Board.