



# NOMINATING AND GOVERNANCE COMMITTEE CHARTER

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# NOMINATING AND GOVERNANCE COMMITTEE CHARTER

## I. NOMINATING AND GOVERNANCE COMMITTEE PURPOSE

The Nominating and Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Royal Business Bank (the “Bank”) and RBB Bancorp (the “Bancorp”, and collectively, the “Company”, or we) to assist the Board in:

- (1) identifying individuals qualified to become members of the Board and recommending to the Board the director nominees for each annual meeting of shareholders;
- (2) overseeing the performance and effectiveness of the Board;
- (3) assessing and recommending to the Board regarding the size, composition, authority and performance of each Board committee;
- (4) developing and recommending to the Board the corporate governance guidelines and policies applicable to the Bank; and,
- (5) conduct any investigation regarding violations of the Company’s Code of Ethics.

The Committee will also administer the Company’s Corporate Governance Guidelines (the “Governance Guidelines”), annually review performance under the Governance Guidelines and the Governance Guidelines content, and lead the Board in its annual review of its performance, composition, and structure.

## II. COMMITTEE ELIGIBILITY, STRUCTURE AND OPERATIONS

The Committee shall be comprised of at least three (3) members of the Board as appointed by the Board, each of whom shall meet any independence requirements promulgated by the Securities and Exchange Commission (the “SEC”), the Financial Industry Regulatory Authority, any exchange upon which securities of the Company are traded and any governmental and/or regulatory body exercising authority over the Company and as summarized in the Policy. Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Members shall be appointed by the Board and shall serve at the pleasure of the Board and for such term or terms as the Board may determine. The Board of Directors shall have the power to change the membership of the Committee and to fill any vacancies on the Committee. The Board shall designate one member of the Committee as its chairperson. If the chairperson is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership. In the event of a tie vote on any issue, the chairperson’s vote shall decide the issue.

If any member of the Committee becomes ineligible to serve on the Committee, that member must inform the Chairman of the Committee and the Chief Financial Officer within 30 days of becoming ineligible.

### A. Committee Meetings

The Committee shall meet in person or telephonically at least once each calendar quarter at a time and place determined by the Committee chairperson, with further meetings to occur when deemed

necessary or desirable by the Chairman of the Board of the Company, Chairperson of the Committee or by a majority of the members of the Committee. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and shall provide copies of such minutes to the Board of Directors. The Committee shall determine its rules of procedure.

**B. Reporting Activities**

The Committee Chairperson, or designee, shall make regular reports to the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

**III. COMMITTEE'S DUTIES AND RESPONSIBILITIES**

The Committee, to the extent it deems necessary or appropriate, shall:

- (1) Determine and annually update criteria for selecting the members of the Board.
- (2) Evaluate the size and composition of the Board 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 Board and each committee, and report its findings and any recommendations to the Board.
- (3) Recommend to the Board the director nominees for the annual meetings of shareholders by evaluating the incumbent directors whose terms expire at the upcoming meeting, determining whether those individuals satisfy the qualification criteria for continued membership on the Board of Directors, and making a determination as to whether to recommend such incumbent directors to serve for an additional term on the Board. In accordance with SEC requirements, the Board 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.
- (4) Conduct searches for qualified individuals to become prospective directors whose skills and attributes reflect those desired, as reflected in the Policy Regarding Qualifications of Directors attached as Appendix A hereto. 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.
- (5) Consider bona fide candidates recommended by shareholders for nomination for election to the Board.
- (6) As necessary in the Committee's judgment from time to time, retain search firms to assist the Committee in identifying or evaluating qualified director candidates.
- (7) Evaluate the performance and effectiveness of the Board in meeting its responsibilities, and of the relationship between the Board and management. Report annually to the Board with an assessment of the Board's performance and the performance of the Board committees, including the

Nominating and Governance Committee, to be discussed with the full Board following the end of each fiscal year.

- (8) Review and assess, at least annually, the adequacy of the Company's Code of Ethics. In addition, the Committee shall review all reports of suspicious or illegal activity, or of suspected violations of the Code not involving audit or accounting related matters, submitted by the Director of Human Resources, and shall take any actions as may be necessary and appropriate after reviewing such reports. The Committee shall 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.
- (9) Develop and annually review the Governance Guidelines.
- (10) Evaluate the independence of existing and prospective directors in light of the independence standards of the Sarbanes-Oxley Act of 2002 and the rules of NASDAQ.
- (11) Periodically review, with the Chairman of the Board and the Chief Executive Officer, the succession plans of the Company relating to positions held by executive officers, directors and the Chairman, and make recommendations to the Board of Directors with respect to management and director succession.
- (12) Develop and monitor the orientation and continuing education program for directors.
- (13) Make regular reports to the Board concerning its activities.
- (14) Annually evaluate the performance of the committee in light of the legal and regulatory requirements applicable to the Company, its directors, officers and employees, and report to the Board any recommendations it may have in connection therewith.

#### **IV. OTHER RESPONSIBILITIES**

Perform any other activities consistent with this Charter and banking regulations as the committee or the Board of Directors deems necessary or appropriate.

#### **V. AUTHORITY**

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel or other experts or consultants, as it deems appropriate, engaged to advise the Committee, including sole authority to approve the fees and other retention terms for such persons. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and Royal Business Bank, as the case may be, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

#### **VI. CHARTER REVIEW**

The Committee will review and reassess the adequacy of this Charter at least annually 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 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.

**VII. ALLOCATION OF RESOURCES**

The Company shall allocate the resources needed to ensure compliance with this Charter.

## APPENDIX A

### RBB BANCORP

#### Policy Regarding Qualifications of Directors

Members of the Board of Directors of RBB Bancorp (together with its subsidiaries, the “Board”) should possess certain basic personal and professional qualities in order to properly discharge their fiduciary duties to shareholders, provide effective oversight of the management of the Company, and monitor the Company’s adherence to principles of sound corporate governance. In considering candidates for the Board, the Nominating and Governance Committee (the “Committee”) considers the entirety of each candidate’s credentials and does not have any specific minimum qualifications that must be met by a recommended nominee. The Committee shall be guided by the following basic selection criteria for all nominees:

- **Integrity and Ethical Values.** Candidates should possess the highest personal and professional standards of integrity and ethical values.
- **Experience.** Candidates should have substantial experience which is of particular relevance to the Company, and should serve or have served as chief executive officer or in another position of active leadership with a business or professional interest located within one or more of the market areas served by the Company.
- **Reputation.** Candidates should have an excellent personal and professional reputation in and commitment to one or more communities in which the Company does business.
- **Knowledge of Company Affairs.** Candidates should be knowledgeable about the business activities and market areas in which the Company does business.
- **Business Understanding.** Candidates should have a general appreciation regarding major issues facing public companies of a size and operational scope similar to the Company. These include:
  1. contemporary governance concerns;
  2. regulatory obligations of a public issuer;
  3. strategic business planning;
  4. competition in a global economy; and,
  5. basic concepts of corporate accounting and finance.
- **Time Commitment and Availability.** Candidates should have the ability and willingness to devote sufficient time to the affairs of the Company. It is expected that each candidate will be able to arrange their business and professional commitments, including service on the boards of other companies and organizations, so that they are available to attend the meetings of the Company’s Board and any committees on which they serve, as well as the Company’s annual meeting of shareholders.
- **Financial Commitment.** Candidates should have a meaningful financial stake in the Company so as to assure that every director’s interests are aligned with those of the shareholders.

- **Geographic Representation.** Candidates should live or work within 25 miles of an existing or proposed office of the Company’s banking subsidiary, Royal Business Bank.
- **Inquisitiveness and Constructive Approach.** Candidates should have an inquiring mind, a willingness to ask hard questions, and the ability to work constructively with others.
- **Independent Thinking.** Candidates should have the ability and desire to exercise independent thinking when considering matters brought before the Board, and not be unduly influenced by the opinions of others.
- **Absence of Conflicts of Interests.** Candidates should have no conflict of interest that would interfere with his or her performance as a director.
- **Fair and Equal Representation.** Candidates should have the capacity and desire to represent the best interests of the shareholders as a whole, and should not serve for the purpose of favoring or advancing the interests of any specific interest group or other constituency.
- **Compliance with Certain NASDAQ Requirements.** In recommending candidates to the Board for nomination as directors, the Committee will also assure that:
  1. at least a majority of the directors to be serving at any time on the Board are independent, as defined under the rules of NASDAQ;
  2. at least three of the directors satisfy the financial literacy requirements required for service on the audit committee under the rules of NASDAQ; and
  3. at least one director would be considered a “financial expert” or “financially literate” as defined in the listing standards of the Nasdaq or applicable law.
- **Additional Considerations.** In considering the desirability of any particular candidate as a potential director, the Committee shall also consider the contributions that a candidate can be expected to make to the collective functioning of the Board based upon the totality of the candidate’s credentials, experience and expertise, the composition of the board at the time, and other relevant circumstances, including the fit of the individual’s skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to the needs of the Company.

The Committee need not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. As part of the annual nomination process, the Committee will review and evaluate the appropriate backgrounds, skills and diversity characteristics required of Board members in the context of the current composition of the Board and the Company’s priorities for nominees to the Board, including nominees who are current Board members. Moreover, the Committee will consider whether the background and qualifications of the directors, considered as a group, provide a significant mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.