

Placer Sierra Bancshares
Placer Sierra Bank**COMPENSATION COMMITTEE CHARTER***Original Adopted on October 28, 2003**Last Revision Adopted on January 25, 2005***I. PURPOSE**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Placer Sierra Bancshares (the “Company”) is to discharge the Board’s responsibilities relating to compensation of the Chief Executive Officer (“CEO”) and other executive officers of the Company and Placer Sierra Bank, and to consider, recommend, administer and implement the Company’s incentive-compensation plans and equity-based plans. The Committee also is responsible for preparing a report on executive compensation for inclusion in the Company’s annual meeting proxy statement, in accordance with rules and regulations of the Securities and Exchange Commission (the “SEC”) when and as such rules and regulations become applicable to the Company.

II. MEMBERS

The Committee will be composed of at least three (3) directors, all of whom satisfy the definition of “independent” under the listing standards of The Nasdaq Stock Market (“Nasdaq”). All Committee members shall also be “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934 and “outside directors” as defined by Section 162(m) of the Internal Revenue Code. Members of the Committee shall be appointed on the recommendation of the Governance and Nominating Committee and may be removed and replaced by the Board at its discretion, but all replacements shall be made on the recommendation of the Governance and Nominating Committee.

III. DUTIES, RESPONSIBILITIES AND AUTHORITY

The Committee shall have the following duties, responsibilities and authority:

A. Regarding the Chief Executive Officer and Other Executive Officers

1. Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and set the CEO's compensation level based on this evaluation. In determining the long-term incentive components of CEO compensation, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years and may consider such other factors as it deems necessary or advisable.
2. With regard to the CEO, annually, and at the time of appointment of a new CEO, review and approve: a) the annual base salary amount; b) annual bonus arrangements, if any; c) any long-term incentive compensation; d) any employment agreements, severance arrangements, and change in control and similar agreements/provisions, and any amendments, supplements or waivers to

the foregoing agreements, in each case as, when and if deemed necessary or advisable; and e) any perquisites or special or supplemental benefits.

3. With regard to any executive officer other than the CEO, annually, and at the time of any new executive hire, review and approve, taking into account any recommendations of the CEO (the Company's CEO may be present at the meeting deliberations on this subject, but may not vote): a) the annual base salary amount; b) annual bonus arrangements, if any; c) any long-term incentive compensation; d) any employment agreements, severance arrangements, change in control and similar agreements/provisions and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable; and e) any perquisites or special or supplemental benefits. To the extent appropriate or necessary to comply with any federal securities or tax law requirements, the Board may delegate exclusive authority to the Committee to approve or ratify elements of compensation of executive officers.
4. Annually, meet with the CEO to discuss performance and conduct performance appraisals; review and report to the Board of Directors on the CEO's competencies and skills to lead the Company; ensure the Board of Directors has a process in place to provide an objective and effective evaluation of the CEO; review and report to the Board of Directors on whether the CEO is supplementing his or her own strengths with a strong and capable team; review and report to the Board of Directors on the CEO's development of executives who are ready or are on track to assume the role of CEO; define and recommend for approval to the Board of Directors CEO selection criteria, including the attributes, competencies and values identified as necessary to successfully lead the Company today and into the future; and when a CEO search is required, assist the Governance and Nominating Committee in the search for qualified CEO candidates in accordance with the current CEO Succession Plan document.
5. Retain and terminate any compensation consultant to be used to assist in the evaluation of CEO or other executive officer compensation, including the authority to approve the consultant's fees and other retention terms and to obtain advice and assistance from internal or outside legal, accounting or other advisors.

B. Regarding Incentive-Based Compensation Plans

1. Consider, recommend, administer and implement the Company's incentive compensation plans and equity-based plans in which directors, the CEO, other executive officers and other employees of the Company and its subsidiaries may be participants, including, but not limited to: a) approving option grants and restricted stock or other awards; b) interpreting the plans; c) determining rules and regulations relating to the plans; d) modifying or canceling existing grants

or awards; and e) imposing limitations, restrictions and conditions upon any grant or award as the Committee deems necessary or advisable.

2. Annually assess the desirability of proposing and making recommendations to the Board with respect to any new incentive-compensation plans and equity-based plans and any increase in shares reserved for issuance under existing equity plans.
3. Annually report to the Board on the number of shares subject to outstanding options and remaining available for option grants under each equity-base plan; on the dilutive effect of each equity-based plan; and on any proxy statement disclosures relating to the Company's equity-based plans.

C. Assessments and Reporting Requirements

1. Review from time to time and approve the Company's stated compensation philosophy strategy to ensure that management is rewarded appropriately for its contributions to Company growth and profitability and that the executive compensation strategy supports the Company's objectives and shareholder interests.
2. Prepare, or be responsible for the preparation of, a report on executive compensation for inclusion in the Company's annual meeting proxy statement, in accordance with applicable rules and regulations.
3. Following meetings of the Committee, make reports and recommendations to the Board at the Board's next regularly scheduled meeting, as appropriate.
4. Annually review and reassess the adequacy of this Charter and recommend for the Board's consideration and approval any proposed changes to the Governance and Nominating Committee.
5. Annually review its own performance in coordination with the Governance and Nominating Committee.

D. Miscellaneous

1. In conjunction with the Governance and Nominating Committee, review and advise the Board of Directors as to director compensation.
2. Form and delegate authority to subcommittees if determined to be necessary or advisable.
3. Have such other authority and responsibilities as may be assigned from time to time to the Committee by the Board.