

**WESTERN SIERRA BANCORP  
THE GOVERNANCE COMMITTEE CHARTER**

**ARTICLE 1**

**DUTIES AND RESPONSIBILITIES**

**Section 1**

**General:**

The Governance Committee of Western Sierra Bancorp (“Bancorp”) shall have the following general duties:

- 1) Oversee the development and periodic review of Corporate Governance guidelines for the Bancorp;
- 2) Lead the Board of Directors of the Bancorp (“Bancorp’ Board”) and the Board of Directors of the Bank (“Bank Board”) in their annual reviews of their respective Board’s performance;
- 3) Assist the Bancorp’ Board and the Banks’ Board in identifying individuals qualified to become members of their respective Boards of Directors;
- 4) Recommend to the Bancorp’ Board director nominees for its annual meeting of stockholders; and
- 5) Recommend to the Bancorp’ Board and the Banks’ Board director nominees for each respective Board’s Committees and the Chairpersons for each respective Board and each respective Board’s Committees.

**Section 2**

**Reporting to Board; Board Responsibility:**

The Governance Committee shall report regularly to the Bancorp’ Board. The Bancorp’ Board and management shall ensure that the Governance Committee has adequate resources and authority to discharge its responsibilities.

**Section 3**

**Corporate Governance Guidelines:**

The Governance Committee shall work with the Bancorp’ Board and management in developing Corporate Governance Guidelines for Bancorp. The Governance Committee shall develop and implement a periodic review process of the Corporate Governance Guidelines to ensure the accountability and effectiveness of the Bancorp’ Board, taking into account changes in the relevant laws and current trends in corporate governance practices.

**Section 4**

**Annual Board Evaluation:**

The Governance Committee shall develop and implement a process for reviewing and evaluating each of the Bancorp' Board's and the Bank's Board performance and effectiveness. The Governance Committee will be responsible for conducting, at least annually, such review and evaluation of each of the Bancorp' Board's and the Bank's Board's performance and shall report to the Bancorp' Board and the Bank Board, respectively, the results of such review and evaluation. The Governance Committee may work with the Bancorp' Board, the Bank Board, management, and, if desired, outside consultants or advisers, in conducting these reviews and evaluations. These performance reviews and evaluations may include, among other items, a review of how the following items impact each of the Bancorp' Board's and the Bank Board's effectiveness:

- 1) The size of the Bancorp' Board and the Bank Board, respectively;
- 2) Frequency of meetings;
- 3) Quality and timing of information provided to the Bancorp' Board and the Bank Board, respectively, before Board meetings;
- 4) Communication among directors;
- 5) Education of directors;
- 6) Skills and qualifications of directors; and
- 7) Board strategic retreats.

## **Section 5**

### **Nominations:**

- 1) **Board Member Nominees.** The Governance Committee shall, as it deems appropriate, identify and interview individuals qualified to become members of the Bancorp' Board and the Bank Board, respectively. The Governance Committee shall have the authority to retain and terminate any other consultants and executive search firms for assistance in this process. The Governance Committee shall, at its discretion, recommend to each of the Bancorp' Board and the Bank Board, respectively, any qualified Board member nominees. The Governance Committee's recommendations shall be subject to the approval of the Bancorp' Board and the Bank Board, respectively.
- 2) **Director Nominees.** The Governance Committee shall, at least annually, recommend to the Bancorp' Board the director nominees to be included in the proxy statement for Bancorp' annual meeting of stockholders. The Governance Committee's recommendations shall be subject to the Bancorp' Board's approval.
- 3) **Committees and Chairpersons.** The Governance Committee shall nominate the Chairperson and the Vice-Chairperson of the Bancorp' Board and the Bank Board, respectively, and the members and Chairperson of each other Board committee of the Bancorp' Board and the Bank Board, respectively. The Governance Committee's nominations shall be subject to the approval of the Bancorp' Board and the Bank Board, respectively.

## **Section 6**

### **Committee Performance:**

The Governance Committee shall, at least annually, review and evaluate the performance of the Bancorp' Board's committees, in conjunction with the respective committee Chairperson, including its own performance. As part of this review, the Governance Committee shall also review the adequacy of the Charters of such committees, including its own Charter. The Governance Committee shall recommend any recommended changes to the Bancorp' Board's committees and/or the Charters of such committees to the Bancorp' Board for approval.

## **ARTICLE 2**

## **ORGANIZATION**

## **Section 1**

### **Membership:**

The Governance Committee will consist of no fewer than three (3) members. All members of the Governance Committee must be Outside Directors. An "Outside Director" is any director of Bancorp who is independent as determined in accordance with applicable law, including the rules and regulations of the Securities and Exchange Commission, and the rules of Nasdaq, as applicable except as otherwise permitted by the rules.

## **Section 2**

### **Appointment and Term:**

The Bancorp' Board will appoint the Chairperson and other members of the Governance Committee, subject to nomination by the Governance Committee, for a term of one year, and the Chairperson and other members of the Governance Committee will serve at the discretion of the Bancorp' Board.

## **Section 3**

### **Duties of Chairperson:**

The Chairperson will preside at all meetings of the Governance Committee and perform any duties as may be assigned by the Bancorp' Board from time to time.

## **Section 4**

### **Secretary of Committee:**

The Chairperson of the Governance Committee will appoint a Secretary of the Governance Committee, subject to approval by the Governance Committee.

## **Section 5**

### **Resignation:**

Any member of the Governance Committee may resign, effective upon giving written notice to the Chairperson of the Bancorp' Board unless the notice specifies a later time for the effectiveness of the resignation.

## **Section 6**

### **Vacancies:**

All vacancies on the Governance Committee, however created, may be filled by the Bancorp' Board, subject to nomination by the Governance Committee. Each member of the Governance Committee so appointed will hold office until the expiration of the appointed term and until a successor is appointed and qualified.

## **Section 7**

### **Regular Meetings:**

Regular meetings of the Governance Committee will be held at the time and place as the Governance Committee determines. Regular meetings of the Governance Committee may be held without notice. Any change in the time or place of a regularly scheduled meeting will require:

- 1) The consent of a majority of the members of the Governance Committee; and
- 2) Five days' notice by mail or twenty-four hours' notice received personally, by telephone, telegraph, facsimile or similar transmission.

## **Section 8**

### **Special Meetings:**

Special meetings of the Governance Committee may be called at any time by the Chairperson of the Governance Committee, any two voting members of the Governance Committee, the Chief Executive Officer of Bancorp, or by a majority of the Bancorp' Board. Special meetings may be held upon five days' notice by mail or twenty-four hours' notice received personally, by telephone, telegraph, facsimile or similar transmission. Notice of special meetings need not be given to any member who:

- 1) Before or after the meeting, signs (i) a waiver of notice, (ii) a consent to holding the meeting, or (iii) an approval of the subject minutes; or
- 2) Attends the meeting without protesting the lack of notice to such member.

## **Section 9**

### **Voting:**

A majority of the Governance Committee members will constitute a quorum for the transaction of business. Every action consented to by a majority of the Governance Committee members present at a meeting (at which a quorum is present) will be regarded as an act of the Governance

Committee, unless other consent is required pursuant to this Charter, the Articles of Incorporation or Bylaws of Bancorp or applicable law.

### **Section 10**

#### **Minutes:**

The Secretary of the Governance Committee will maintain minutes and other relevant records of the meetings and activities of the Governance Committee. The minutes will be available for review by the Bancorp' Board and the Bank Board and any regulatory agency having jurisdiction over the affairs of Bancorp or the Bank. In the event of any meeting in "executive session" or otherwise where the Secretary is not present, the Chairperson will designate an Acting Secretary of the Governance Committee for the purpose of recording the minutes of actions taken at the meeting or "executive session" thereof.

### **Section 11**

#### **Telephone Conference Meetings:**

Members of the Governance Committee may participate in a meeting through use of conference telephone or similar communication equipment, so long as all members participating in the meetings can hear one another. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

### **Section 12**

#### **Amendments:**

This Charter of the Governance Committee may be amended only by a resolution of the Bancorp' Board.

### **Section 13**

#### **Delegation of Authority:**

This Governance Committee may form and delegate authority to subcommittees when appropriate.

