

# **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

*As Approved by the Board of Directors*

The Board of Directors of Sterling Bancshares, Inc. (the “Company”) believes it is important to have a well functioning Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”).

## **COMPOSITION**

The Committee shall be composed of at least two, but not more than four, members of the Board who are Independent Directors (as that term is defined in the Company’s Corporate Governance and Nominating Committee Guidelines), one of whom shall serve as chairperson. The Committee and its chairperson shall be nominated and elected by the Board. In addition, up to two Inside Directors may serve as liaisons to this Committee.

## **PURPOSE**

The Purpose of the Committee shall be to:

1. advise the Board concerning appropriate composition of the Board and its committees;
2. serve as a nominating committee for the Board;
3. advise the Board regarding appropriate corporate governance practices and assist the Board in achieving them; and
4. at least annually, confirm that a performance review of the CEO and each Director has been completed in accordance with the Guidelines (see below).
5. perform such other functions as the Board may assign to the Committee from time to time.

## **DUTIES AND RESPONSIBILITIES**

### **A. General**

The Committee has developed, and the Board has adopted, written Corporate Governance and Nominating Guidelines (the “Guidelines”). These Guidelines include provisions relating to:

1. Composition of the Board;
2. Operation of the Board; and
3. Board interaction with management.

On an ongoing basis, the Committee shall assist the Board in carrying out the Guidelines, shall monitor the compliance by the board and its committees with the Guidelines, and propose appropriate revisions to the Guidelines.

## B. Specific

In addition to its general duties, the Committee also shall have certain specific responsibilities. These shall include:

1. Determine whether each Director and prospective Director is an Inside Director, an Affiliated Director or an Independent Director (as those terms are defined in the Guidelines). (See Guideline 1)
2. Monitor and report to the board, at least annually, if there is any current relationship between any Independent Director and the Company that adversely affects the independent judgment or actions of the Director. (See Guideline 1)
3. Subject to appropriate actions by the Board and stockholders, assure that the Board contains a substantial majority of Independent Directors and only a limited number of Inside Directors. (See Guideline 2)
4. Monitor the size of the Board. (See Guideline 3)
5. Review annually with the Board and Chief Executive Officer the appropriate skills and characteristics required for the Board relative to the skills and characteristics actually represented on the Board. In the event that there is not a satisfactory match, the Committee shall initiate actions designed to create a satisfactory match. (See Guideline 4)
6. Recommend Director candidates to the Board for Nomination. . (See Guideline 6)
7. Extend to each prospective Director approved by the Board the invitation to stand for election to the Board. The Committee's chairperson will normally extend this invitation. (See Guideline 7)
8. See that the chairperson of each Board committee reports annually to the full Board an assessment of his or her committee's performance. (See Guideline 12)
9. Recommend to the full Board the composition of each committee of the Board and the individual Director to serve as chairperson of each committee. (See Guideline 14)

## **Procedures**

### **A. Meetings**

The Committee shall meet at the call of its chairperson. Meetings may, at the discretion of the Committee, include members of management, independent consultants, and such other persons as the Committee shall determine. The Committee, in discharging its responsibilities, may meet privately for advice and counsel with independent consultants, lawyers, or any other persons, including associates of the Company, knowledgeable in the matters under consideration. The Committee may also meet by telephone conference call or by any other means permitted by law or the Company's bylaws.

### **B. Action**

A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Without a meeting, the Committee may act by unanimous written consent of all members.

### **C. Rules**

The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore, in the absence of the chairperson, and designation of a secretary.

### **D. Chairperson Responsibilities**

The chairperson of the Committee shall report to the Board on the Committee's determination and shall present recommendations for approval whenever necessary or desirable.

### **E. Secretary Responsibilities**

The secretary shall be designated by the Committee and need not be a member of the Committee. The secretary shall attend meetings and prepare minutes.

### **F. Fees**

Each member shall be paid the fees set by the Board.