

**MCGRATH RENTCORP**  
**CHARTER OF THE CORPORATE GOVERNANCE**  
**AND NOMINATING COMMITTEE**

**AUTHORITY AND PURPOSE**

The Corporate Governance and Nominating Committee (the “Committee”) of McGrath Rentcorp (the “Company”) is appointed by the Company’s Board of Directors (the “Board”). The Committee shall assist the Board in all matters relating to the establishment, implementation and monitoring of policies and processes regarding the recruitment and nomination of candidates to the Board and committees of the Board; the review and making of recommendations to the Board regarding the composition and structure of the Board and committees of the Board; the development, evaluation and monitoring of the Company’s corporate governance processes and principles. The Committee also is responsible for developing, implementing and monitoring compliance of the Company’s Code of Business Conduct and Ethics (the “Code”) and making recommendations to the Board of revisions to the Code from time to time as appropriate. Further, the Committee is responsible for the administration of the Board’s annual self-evaluation process and the sharing of the results thereof with the Board for discussion and deliberation. The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board shall from time to time prescribe. The Committee’s policies and procedures should remain flexible in order to best react to changing conditions and to ensure to the Board and the Company’s shareholders that the composition, practices and operation of the Board and the corporate governance practices of the Company are in accordance with all requirements and are of the highest integrity. All powers of the Committee are subject to the restrictions designated in the Company’s Bylaws (the “Bylaws”) and by applicable law.

**COMMITTEE MEMBERSHIP**

The Committee members (each, a “Member” and collectively, the “Members”) shall be appointed by the Board and will serve at the discretion of the Board. The Committee will consist of no fewer than three members of the Board. Each Member shall meet the independence requirements promulgated by the Securities and Exchange Commission specifically relating to the Members, the National Association of Securities Dealers, Inc., Nasdaq Stock Market (“NASDAQ”) relating to NASDAQ-listed issuers and any governmental or regulatory body exercising authority over the Company (the “Regulatory Body”). Each Member also 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. Unless otherwise directed by the Board, each Member shall serve until such Member ceases to serve as a member of the Board, or until his or her successor has been duly appointed by the Board. Members may be removed at any time by vote of the Board.

## **SUBCOMMITTEE**

The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate; provided the subcommittees, if any, are composed entirely of independent directors as defined by the Regulatory Body.

## **STRUCTURE AND MEETINGS**

The Committee shall conduct its business in accordance with this Charter, the Bylaws and any direction by the Board. The Committee chairperson shall be designated by the Board, or, if it does not do so, the Members shall elect a chairperson by a vote of the majority of the full Committee.

The Committee shall meet at least two times a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

The Committee chairperson will preside at each meeting and, in consultation with the other Members, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Member in advance of the meeting. The chairperson of the Committee (or other member designated by the chairperson or the Committee in the Chairperson's absence) shall regularly report to the full Board on its proceedings and any actions that the Committee takes. The Committee will maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company.

As necessary or desirable, the Chairperson of the Committee may invite any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee, to be present at meetings of the Committee.

## **DUTIES AND RESPONSIBILITIES**

The duties of the Committee shall include, without limitation, the following:

- (1) Monitor the size and composition of the Board and committees of the Board.
- (2) Consider and make recommendations to the Board with respect to the nominations or elections of directors of the Company.
- (3) Establish, review and evaluate the qualifications for Board membership, which qualifications for consideration by the Committee shall include, among others, the highest personal and professional integrity, demonstrated exceptional ability and judgment, broad experience in business, finance or administration, familiarity with the Company's industry, ability to serve the long-term interests of the

Company's shareholders and sufficient time available to devote to the affairs of the Company.

- (4) Solicit periodic input from the Board and conduct a review of the effectiveness of the structure and operations of the Board.
- (5) Make recommendations to the Board concerning the appointment and removal of directors to committees of the Board and suggest rotations for chairpersons of committees as the Committee deems desirable from time to time.
- (6) Make recommendations to the Board regarding committee member qualifications, committee structure and operations, delegated responsibilities of the committees and revisions to the charter of each Board committee.
- (7) Evaluate and recommend any revisions to Board and committee meeting policies and logistics.
- (8) Administer the annual self-evaluation by the Board, share the evaluation results with the full Board and lead Board discussions and analysis thereof.
- (9) Develop orientation materials for new directors and corporate governance-related continuing education for all Board members.
- (10) Implement, evaluate and monitor compliance of the Code, promptly inform the Board of any non-compliance and make recommendations to the Board regarding any revisions to the Code from time to time as appropriate.
- (11) Establish, implement and monitor the processes for effective communication between the Company's shareholders and members of the Board.
- (12) Establish, implement and monitor the processes for consideration of shareholder proposals properly submitted in accordance with the provisions of the Bylaws.
- (13) Review all shareholders proposals properly submitted to the Company in accordance with the provisions of the Bylaws (including any proposal relating to the nomination of a member of the Board) and recommend to the Board appropriate action on each such proposal with input from an independent advisor and/or legal counsel, as appropriate.
- (14) Advise the Board periodically with respect to significant developments in the law and practice of corporate governance, with advise from legal counsel as appropriate, as well as the Company's compliance with the Company's corporate guidance guidelines and applicable laws and regulations, and make recommendations to the Board on all matters of corporate governance and on any corrective action to be take, as the Committee may deem appropriate.

- (15) Review, at least annually, the Company's compliance with the NASDAQ corporate governance listing requirements, and report to the Board regarding the same.
- (16) Coordinate the search for individuals qualified to succeed the Chief Executive Officer of the Company and make recommendations to the Board.
- (17) Review and reassess, periodically, the adequacy of this Charter and make recommendations to the Board regarding any revisions to this Charter from time to time as appropriate.

### **COMMITTEE RESOURCES**

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain a search firm to be used to identify director candidates. The Committee shall have sole authority to retain and terminate any such search firm, including sole authority to approve the firm's fees and other retention terms. The Committee shall also have authority, to the extent it deems necessary or appropriate, to retain other advisors, including outside legal counsel. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any search firm or other advisors employed by the Committee.

### **PERFORMANCE EVALUATION**

The Committee shall perform an annual evaluation of its own performance, which shall compare the performance of the Committee with the requirements of this Charter. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

### **DISCLOSURE OF CHARTER**

This Charter will be made available on the Company's Web site at [www.MGRC.com](http://www.MGRC.com).