

# **Charter for the Corporate Governance and Nominating Committee of the Board of Directors of Heritage Commerce Corp**

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## **ESTABLISHMENT OF COMMITTEE:**

The Corporate Governance and Nominating Committee (“Committee”) shall be established by the Board of Directors of Heritage Commerce Corp (“Company”) and shall exist as a Committee under the Company’s Bylaws and shall conduct its affairs in accordance with this Charter. This Charter shall be annually (or more frequently if recommended by the Committee) reviewed by the Company’s Board of Directors. The Committee shall be comprised solely of Independent Directors, that is, directors independent as defined by law or rule of the Securities Exchange Commission and the NASDAQ National Market. Additionally, an Independent Director shall not be an employee of the Company and shall be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment as a Board or Committee member. The Committee shall consist of no fewer than three directors, each of whom shall be subject to annual reconfirmation and may be removed by the Board at any time.

## **PURPOSE:**

The Committee shall consider and develop governance standards for the Company and shall establish the requirements and qualifications for members of the Board. The Committee, in consultation with the Chief Executive Officer and the Chairman, shall recommend candidates for nomination and election to the Company’s Board of Directors.

## **RESPONSIBILITIES AND OBJECTIVES:**

In carrying out the purpose set forth herein, the Committee shall:

- Identify and review candidates for the Board of Directors and, in consultation with the CEO and Chairman, recommend to the full Board candidates for nomination and election to the Board or for appointment by the Board to fill a vacancy;
- Consider and evaluate director nominees proposed by shareholders;
- Evaluate Board performance and from time to time review the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, including such factors as business experience, diversity and personal skills in finance, real estate capital markets, government regulation, financial reporting and other areas that are expected to contribute to an effective Board;

- Consider the impact of a material change in qualifications of a director arising from the retirement or a change in the principal occupation, position or responsibility of a director as such a change relates to continued service on the Board of Directors;
- Evaluate the effectiveness of the Board's committee structure and recommend to the full Board changes to committee structure or committee charters that the Committee perceive to be necessary;
- Recommend for Board approval, appointments of committee members and committee chairpersons;
- Recommend for Board approval a director to serve as Chairman of the Board and one or more directors to serve as Vice Chairman;
- Review and assess compliance with the Policies Applicable To Members Of The Board of Directors and recommend changes to such Policies from time to time;
- Conduct annual evaluations of the effectiveness of the individual directors and the Board of Directors as a whole and, through the nomination process, augment areas of weakness and not re-nominate directors who have failed to demonstrate effective service;
- Establish a director orientation and continuing education program;
- Propose a statement of corporate governance standards for adoption by the Board and periodically review and recommend modifications to the policies as appropriate;
- Have full access to the Company's executives as necessary to carry out this responsibility;
- Perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board deems necessary or appropriate;
- Review the Committee Charter from time to time for adequacy and recommend any changes to the Board; and
- Report to the Board on the major items covered at each Committee meeting.

#### **GOVERNANCE AND NOMINATING COMMITTEE MEETINGS:**

The Governance and Nominating Committee will meet periodically as necessary to act upon any matter within its jurisdiction. A majority of the total number of members of the Committee shall constitute a quorum at all Committee meetings. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Minutes shall be kept of each meeting of the Committee.