

Sterling Financial Corporation Board of Directors

CORPORATE GOVERNANCE & NOMINATING COMMITTEE CHARTER

I. Purposes of the Committee

The Corporate Governance & Nominating Committee (the "Committee") is appointed by the Board of Directors of Sterling Financial Corporation ("Corporation") (i) to identify and recommend to the Board for election and/or appointment of qualified candidates for membership on the Boards of the Corporation and its affiliates and the committees of the Board of the Corporation, (ii) to recommend to the Board candidates for Board officers and (iii) to assist the Board in establishing and maintaining effective corporate governance policies and practices, including by developing and recommending to the Board a set of corporate governance guidelines applicable to the Corporation.

II. Membership of Corporate Governance & Nominating Committee

The Committee shall consist entirely of independent Directors of the Board. The requisite number of the members of the Committee shall also satisfy, in the judgment of the Board, the applicable independence requirements. Each of the members of the Committee shall be "independent" as defined by the applicable independence requirements of the Nasdaq Stock Market. The members of the Committee shall be appointed by the Board of Directors, based on the recommendations of the Committee, and shall serve for such term or terms as the Board of Directors may determine and until their successors shall be duly qualified and appointed. The Board of Directors shall designate a chairperson for the Committee.

III. Committee Meetings, Structure and Operations

The Committee shall meet as frequently as the Committee deems necessary. Minutes shall be kept of each meeting of the Committee.

IV. Duties, Responsibilities and Authority of the Committee

In furtherance of the purposes of the Committee, the Committee shall have the following duties, responsibilities and authority:

1. To make recommendations to the Board from time to time as to the appropriate size of the Board and the structure and operations of the various committees of the Board.
2. To identify and review individuals, who reflect the criteria as specified by the Board and are believed to be qualified to become members of the Board and to recommend to the Board the nominees to stand for election as directors at the annual meeting of stockholders of the Corporation or, if applicable, at a special meeting of stockholders, or to fill any vacancy on the Board. In nominating candidates, the Committee shall consider and assess issues and factors that the Committee deems appropriate, including an individual's integrity, education, business experience, accounting and financial expertise, age, diversity, reputation, civic and community relationships, and knowledge and experience in matters impacting financial institutions such as the Corporation.

3. To recommend Board officers, committee assignments and committee chairs on all active committees of the Board, and to recommend committee members to fill vacancies on committees as necessary.
4. To assist the Board in its evaluation of the independence of the Corporation's directors in accordance with applicable legal and regulatory requirements.
5. To develop and recommend to the Board a set of corporate governance policies, practices and guidelines appropriate to the Corporation and to review such policies, practices and guidelines at least annually and recommend changes as necessary.
6. To serve as a resource for the Board in addressing any corporate governance issues or matters that may arise.
7. To recommend to the Board an evaluation process of the Board, its committees and management, as appropriate, and provide the oversight for such process.
8. Annually review and make recommendations to the Board with respect to Director compensation and benefits for Sterling and its affiliate board members.
9. To prepare and review with the Board an annual self-evaluation of the Committee.
10. To review and reassess the adequacy of this Charter at least annually and recommend changes as necessary.
11. To perform any other duties or responsibilities expressly delegated to the Committee by the Board of Directors from time to time.

V. Reporting of Committee Activities to the Board of Directors

The Committee shall report information resulting from its activities to the Board of Directors and, where appropriate, its recommendations for action by the Board of Directors at their next meeting subsequent to that of the Committee. Certain action by the Committee may be similarly reported to the Board of Directors for approval, ratification, and/or confirmation.

VI. Committee Resources

In order to carry out the duties conferred upon the Committee by the Charter, the Committee is authorized to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, or other experts or consultants, as it deems appropriate, without seeking approval of management or the Board of Directors. The Corporation shall provide for appropriate funding, as determined by the Committee, for the payment of any such fees.