

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The purpose of the Nominating and Corporate Governance Committee is to assist the Board by:

- Identifying qualified individuals as prospective Board members;
- Recommending to the Board the director nominees for each annual meeting of shareholders and director nominees to be elected by the Board to fill interim director vacancies;
- Overseeing the annual review and evaluation of the performance of the Board and its committees; and
- Developing and recommending to the Board corporate governance guidelines.

Composition of Committee

The Committee shall be composed of three or more members of the Board of Directors each of whom is determined by the Board of Directors to be independent as defined by the NASDAQ Listing Standards. The members of the Committee and the Committee Chair shall be appointed, and may be replaced by the Board of Directors taking into consideration the recommendation of the Corporate Governance and Nominating Committee.

Structure and Operations

The Committee shall meet as often as the Committee considers appropriate, but no fewer than two times annually. The Committee Chair will report the highlights of Committee meetings to the full Board at the Board's next regularly scheduled meeting. Except to the extent prohibited by NASDAQ rules or other applicable law or regulation, the Committee may delegate matters within its power and responsibility to individuals or subcommittees when it deems appropriate.

Outside Advisors

The Committee shall have sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Company, including sole authority to approve the fees payable to such search firm and any other terms of retention. In addition, the Committee shall have the authority to retain, and to approve the fees payable to, outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion.

Director Nominations - Duties and Responsibilities

The Committee shall have the responsibility for:

1. Identifying and evaluating the qualifications of individuals for consideration as director candidates by implementing a consistent process to assess and evaluate candidates regardless of the source of credible recommendations. The Committee shall also reconsider and reassess the contributions of those directors eligible for reelection.

In identifying candidates for membership on the Board of Directors, the Committee shall take into account all factors and criteria it considers appropriate, including but not limited to:

- Whether the director/potential director possesses personal and professional integrity, sound business judgment, forthrightness and has sufficient time and energy to devote to the affairs of the Company;
 - Whether the director/potential director possesses a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust;
 - Whether the director/potential director possesses the requisite business acumen and experience;
 - Whether the director/potential director assists in achieving a mix of Board members that represents a diversity of background and experience, including with respect to age, gender, race, place of residence and specialized experience;
 - Whether the director/potential director may provide a source for bank customer referrals
 - Whether the director/potential director would be considered a “financial expert” or “financially literate” as defined in the NASDAQ Listing Standards or applicable law;
 - Whether the director/potential director will add specific value as a Board member, by virtue of particular technical expertise, business background or specialized skill relevant to the Company’s current or future business;
 - The extent of the director’s/potential director’s ownership of shares of the Company or willingness to become an owner of at least 1,000 shares.
 - Whether the director/potential director meets the independence requirements of the NASDAQ Listing Standards;
 - Whether the director/potential director is free from conflicts of interest with the Company;
2. Reviewing and considering director candidates submitted by shareholders.
- Implement a process by which shareholders may recommend director candidates to the Nominating Committee, consistent with regulations promulgated by SEC and exchange requirements.

CURRENT PROCESS:

Shareholder recommendations for potential directors must be in writing, the shareholder submitting a recommendation must have continuously held at least \$2,000 in market value of shares for at least one year. The shareholder must include sufficient information as to qualifications and background to establish credibility of the candidate. The process requires evidence that qualifications meet the criteria and considerations as outlined in the Nominating Committee Charter or as published by the Company from time to time. Deadline for receipt of such recommendations is no later than the 120th calendar day before the date the company’s proxy statement was released to security holders in connection with the previous year’s annual meeting.

3. Recommending to the Board, nominees to stand for election as members of the Board of Directors at the annual meeting or any director nominees to be elected by the Board to fill interim director vacancies.

4. Conducting studies of the size and composition of the Board of Directors from time to time and reviewing with the Board the criteria for Board membership

Corporate Governance - Duties and Responsibilities

The Committee shall have the responsibility for:

- Making recommendations to the Board with respect to amendments to the Company's articles of Incorporation and bylaws with respect to corporate governance.
- Making recommendations to the Board annually as to the independence of directors under the NASDAQ Listing Standards.
- Recommending to the full Board individual members to serve on various committees, after taking into consideration the preferences of individual directors.
- Ensuring that procedures are in place for an annual CEO performance review and annual reviews of succession planning and management development.
- Recommend and oversee a process for an annual evaluation of the performance of the Board as well as the Audit, Compensation and Nominating/Governance Committees.
- At least annually, review and reassess the adequacy of this Charter and any revisions that the Committee considers necessary or valuable.
- Undertake additional activities within the scope of the Committee's Charter as it may deem appropriate.