



**MIDDLEFIELD BANC CORP.  
2007 OMNIBUS EQUITY PLAN  
PLAN COMMITTEE CHARTER**  
(adopted as of November 8, 2010)

This **Plan Committee Charter** governs the operations of the Plan Committee of the Board of Directors (the “Board”) of Middlefield Banc Corp. (“Middlefield”) established for purposes of the 2007 Omnibus Equity Plan (the “Plan”). This Charter is intended as a component of the flexible corporate governance framework within which the Board, assisted by its committees, directs the affairs of Middlefield.

## **I. PURPOSE**

The purpose of the Plan Committee shall be to administer the Plan. While the members of the Plan Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Plan Committee, except to the extent otherwise provided under applicable federal or state law.

## **II. COMMITTEE MEMBERSHIP**

The Plan Committee must consist of at least three Board members, each of whom must be (x) an outside director within the meaning of Internal Revenue Code Section 162(m), receiving no compensation from Middlefield or a related entity in any capacity other than as a director, except as permitted by the Internal Revenue Code, (y) a non-employee director within the meaning of the SEC’s Rule 16b-3, and (z) an independent director within the meaning of Nasdaq’s Marketplace Rules, specifically Rule 5605(a)(2). Any member of the Plan Committee may be removed, with or without cause, by the Board at any time. The Board may appoint one member to serve as Chair of the Plan Committee, to convene and chair all regular and special sessions of the Plan Committee, set the agendas for Plan Committee meetings, and determine and communicate to management the information needs of the Plan Committee. If the Board fails to appoint a Chair, the members of the Plan Committee shall elect a Chair by majority vote to serve at the pleasure of the majority.

## **III. COMMITTEE MEETINGS**

The Plan Committee shall meet as often as it determines necessary to carry out its duties and responsibilities. A majority of the members of the Plan Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. The Plan

Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate. In lieu of a meeting, the Plan Committee may also act by unanimous written consent.

#### **IV. KEY RESPONSIBILITIES**

The Plan Committee has final authority to make awards to employees and establish award terms. The Plan Committee may make awards to any employee of Middlefield or any of its subsidiaries. Awards to employees may take the form of incentive stock options that qualify for favored tax treatment under Internal Revenue Code Section 422, stock options that do not qualify under Internal Revenue Code Section 422, stock appreciation rights, restricted stock, and performance shares. Consistent with Article 4 of the Plan, the Plan Committee's authority includes the power to –

- (1) construe and interpret the Plan;
- (2) adopt, amend, and rescind rules and regulations relating to administration of the Plan;
- (3) determine the types of awards to be made to employees;
- (4) designate the employees to whom the awards will be made;
- (5) specify the terms and conditions of awards, including the procedures for exercising an award;
- (6) administer any performance-based awards, including certifying that applicable performance objectives are satisfied; and
- (7) carry out such other duties as may be delegated to it by the Board from time to time.

#### **V. EVALUATION OF THE PLAN COMMITTEE**

The Plan Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Plan Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Plan Committee shall address all matters that the Plan Committee considers relevant to its performance. The Plan Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to Middlefield's or the Board's policies or procedures.

#### **VI. USE OF ADVISORS**

In the course of fulfilling its duties, the Plan Committee has authority to retain its own independent legal, accounting, and other advisors as it deems necessary to administer the Plan. The Plan Committee has been, and shall be, granted unrestricted and confidential access at any time to all company information and to anyone, including outside counsel, that the Plan Committee deems necessary or appropriate to facilitate its review and oversight of the Plan.