



Corporate Governance and Nominating Committee Charter

Approved by the Board on February 8, 2016

Purpose

The purpose of the Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors of Middlefield Banc Corp (the “Company”) is to (1) identify and recommend individuals to the Board for nomination as members of the Board and its committees; (2) develop and recommend to the Board a set of corporate governance principles applicable to the Company; and (3) lead the Board in its annual review of the Board’s performance.

Committee Membership

The Committee shall consist of three or more members of the Board, each of whom the Board has determined to be “independent” in accordance with the NASDAQ listing standards in effect from time to time.

The members of the Committee shall be appointed and replaced by the Board. Members shall serve at the pleasure of the Board and for such term, or terms, as the Board may determine.

Committee Structure and Operations

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically at least twice 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.

A majority of the voting Committee members shall constitute a quorum for the transaction of business. The action of the Committee at a meeting at which a quorum is present shall be the act of the Committee. Minutes of each meeting shall be prepared by the Secretary, by any Assistant Secretary of the Company, or by any other person designated by the Committee

Chairman as Acting Secretary of the Committee, and when approved the minutes shall be distributed to all Board members. The Committee may meet with the CEO, other members of management, consultants, or advisors as the Committee may deem necessary or appropriate.

Committee Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. Make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size of the Board or any other committee thereof.
2. Identify and evaluate individuals believed to be qualified to become Board members, review individuals recommended and/or nominated by shareholders to be considered as candidates for the Board, and advise the Board of the nominees recommended to stand for election as directors at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders, consistent with criteria approved by the Board as reflected in the Corporate Governance Guidelines. In the case of vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by shareholders.

In selecting, reviewing, and recommending candidates, the Committee shall take into consideration the criteria approved by the Board, which are set forth in the Company's Corporate Governance Guidelines, and such factors as it deems appropriate. In addition to the criteria set forth in the Corporate Governance Guidelines, these factors may include judgment, skill, diversity, experience with business and other organizations of comparable sizes, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidates would be a desirable addition to the Board and any committees of the Board. The Committee may consider candidates proposed by management, by Board members, or by stockholders.

3. To develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between the Company and a director.
4. In the case of a director nominee to fill a Board vacancy created by an increase in the size of the Board, make a recommendation to the Board as to the class of directors in which the individual should serve.

5. Identify Board members qualified to fill vacancies on any committee of the Board (including the Committee) and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of the committee, if any, as well as any other factors it deems appropriate including without limitation the consistency of the candidate's experience with the experience of other committee members.
6. Review the NASDAQ corporate governance listing standards and identify for the full board any ways in which the Company does not fully comply with NASDAQ standards.
7. Conduct an annual assessment of the Board and each committee for the purpose of improving Board and committee processes and effectiveness.
8. Review and reassess this Charter and the Corporate Governance Guidelines of the Company and recommend any proposed changes to the Board.
9. Review and reassess the Company's Code of Conduct and Code of Ethics for Financial Professionals and recommend any proposed changes to the Board. Waivers of the Code of Conduct and Code of Ethics for Financial Professionals shall be approved by the Committee and appropriately disclosed.
10. Review any proposal submitted by stockholders for inclusion in the Company's proxy statement and recommend to the Board action to be taken in response to the stockholder proposal.
11. Prepare and issue the evaluation required under the "Performance Evaluation" section described below.
12. Maintain appropriate minutes and records of Committee meetings and make such materials readily available for inspection by any director.
13. Consider and advise the Board relative to training and education opportunities for directors.
14. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board and committee members.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. Each subcommittee shall consist of no fewer than two members of the Committee.

Performance Evaluation

The Committee shall produce and provide to the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of the charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may be delivered by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

Resources and Authority of the Committee

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities. In particular, the Committee shall have direct and unrestricted access to the Company's management and non-management personnel and all corporate records. The Committee shall have the authority to select, retain, terminate, and approve the fees and other terms of search firms, counsel, or other experts or consultants as the Committee deems appropriate. The Company shall be responsible for the expenses of any advisers retained by the Committee.