

**ORANGE COUNTY BUSINESS BANK**

**CHARTER OF THE NOMINATING COMMITTEE  
OF  
THE BOARD OF DIRECTORS**

The Board of Directors (the “Board”) of Orange County Business Bank (the “Bank”) approved this Nominating Committee Charter at their meeting on July 30, 2010.

**A. Introduction**

The Board believes that the selection of new directors is one of the most important responsibilities that it has to the Bank’s shareholders. As a result, all of the Board members believe that it is their responsibility to participate in the selection of new directors. Accordingly, the Board has determined that the full Board of Directors shall perform the functions of a nominating committee and the Board has adopted this Charter to outline the role of the Board when functioning as the nominating committee.

**B. Primary Role of the Board When Functioning as a Nominating Committee**

The primary role of the Board, when functioning as a nominating committee, is to consider, and recommend new candidates to fill positions on the Board.

**C. Who May Participate in the Nominating Process**

The Board of Directors as a whole selects director nominees who must receive the affirmative vote of a majority of the independent directors on the Board.

**D. Responsibilities and Powers of the Board When Functioning as a Nominating Committee**

The responsibilities and powers of the Board, when functioning as a nominating committee for the Bank, shall include:

1. Determining the criteria to be used for selecting Board nominees.
2. Considering candidates to fill positions on the Board, including any candidates recommended by shareholders who have submitted their recommendations in accordance with the procedures for shareholder recommendations set forth below and any applicable statutes and rules of the Securities and Exchange Commission (the “SEC”), the Federal Deposit Insurance Corporation (“FDIC”) and the California Department of Financial Institutions (“DFI”) and, in connection therewith, to conduct appropriate and necessary inquiries into the backgrounds and qualifications of those candidates.
3. Selecting any nominees for election to the Board, from among the candidates considered by the Board, either to fill a vacancy on the Board between Shareholders’ Meetings, or to stand for election at the next Shareholders’ Meeting at which directors are to be elected.

## **E. Nominating Process**

1. *Identifying New Candidates for Board Positions.* In the event of a Board vacancy occurring at the time of the annual shareholders meeting, in its role as the nominating committee, the Board will seek recommendations for candidates that might be selected to fill that position from existing board members and executive officers. In addition, the Board will consider any candidates that may have been recommended by any of the Bank's shareholders, in accordance with the procedures set forth below (see "*Shareholder Recommendation of Board Candidates*" below).

The Board also shall have the authority to engage an executive search firm and to obtain the assistance of internal and outside advisors to assist the Board in identifying such candidates. In the event of a Board vacancy not occurring at the time of the annual shareholders' meeting, in its role as the nominating committee, the Board will follow these same procedures except that the shareholders shall not be required to adhere to the time frames for recommendations set forth in paragraph 4 below.

2. *Criteria for Selecting Candidates for Consideration by the Board.* In assessing and selecting candidates for its consideration, the Board will consider, among other things, each candidate's:

- independence (as defined in the NASDAQ Rules);
- experience, knowledge and skills, as demonstrated by current and past employment and other board experience and the candidate's record of accomplishment; and
- reputation for integrity.

3. *Selecting Nominees from among Candidates Considered.* In selecting a new Board nominee from among the candidates considered by the Board, the Board will conduct interviews with those candidates they believe are best qualified to serve as directors and will consider a number of factors in making their selection, including, but not limited to, the following:

- candidate's ability, willingness and enthusiasm to devote the requisite time and effort required of members of the Board;
- candidate's skills and experience for service on the Board and its committees;
- candidate's independence or any conflicts of interest or commitments that would interfere with the candidate's ability, to fulfill the responsibilities required of directors of the Bank, including active participation on Board committees;
- candidate's skills and experience and how such would add to the overall competencies of the Board;
- candidate's special background or experience relevant to the Bank's business and marketplace;

- such other information regarding each such candidate as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission and the FDIC;
- the written consent of each such recommended candidate to be named as a nominee and, if nominated by the Board and elected, to serve as a director; and
- approval or non-objection, if required, by any state or Federal regulatory agency such as the FDIC or the DFI.

4. *Shareholder Recommendation of Board Candidates.*

Any shareholder desiring to submit a recommendation for consideration by the Board of a candidate that the shareholder believes is qualified to be a Board nominee at any upcoming shareholders' meeting may do so by submitting that recommendation in writing to the Corporate Secretary not later than 120 days prior to the first anniversary of the date on which the proxy materials for the prior year's annual meeting were first sent to shareholders. However, if the date of the upcoming annual meeting has been changed by more than 30 days from the date of the prior year's meeting, the recommendation must be received within a reasonable time before the Bank begins to print and mail its proxy materials for the upcoming annual meeting. As a general rule, the Board will not consider such recommendations unless the shareholder provides the following information to the Board:

- the name and address of the nominating shareholder and of the person or persons being recommended for consideration as a candidate for Board membership;
- the number of shares that are owned by the nominating shareholder, his or her recommended candidate, and any other shareholders known by the nominating shareholder to be supporting the candidate's nomination;
- a representation that the shareholder is a holder of record of common stock of the Bank entitled to vote at such meeting and intends to appear in person or by proxy at the meeting for the purpose of nomination;
- a description of any arrangements or understandings, relating to the election of the Bank's directors, that may exist between the nominating shareholder, or any person that (directly or indirectly through one or more intermediaries) controls, or is controlled by, or is under common control with, such shareholder (an "Affiliate" of the nominating shareholder), and any other person or persons (naming such person or persons);
- such other information regarding each such candidate as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC and the FDIC;
- the written consent of each such recommended candidate to be named as a nominee and, if nominated by the Board and elected, to serve as a director; and
- approval or non-objection to such a person being seated on the Board, if required, by any applicable state and Federal regulatory agency such as , FDIC or the DFI .

**F. Meetings of the Board as a Nominating Committee**

The Board, in its role as a nominating committee, shall meet no less than once per year, and may meet more frequently, as determined by the Chairman of the Board or if requested by any two independent directors. A majority of the independent members of the Board must be present for any action to be taken at any such meeting and any material actions to be taken by the Board when functioning as a nominating committee must receive the approval of a majority of the directors on the Board.

The Board, in its role as nominating committee, may meet in person, by telephone or by video conference. It also may take action by written consent of a majority of the independent directors; provided that consents for such action have been solicited from all of the directors.

A record shall be kept of the material actions taken by the Board at each such meeting.

**G. Annual Review**

On an annual basis, the Board shall review and assess: (i) the adequacy of this Nominating Committee Charter and consider and make any proposed changes as a majority of the directors deem to be appropriate; and (ii) the Board's own performance in its role as Nominating Committee.