



Sierra Bancorp Nominating Governance Charter

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Purpose

The primary purposes of the Nominating and Governance Committee (the “Committee”) of the Board of Directors of Sierra Bancorp (the “Company”) are to (i) identify qualified candidates for director, and recommend to the Board the director nominees for each annual meeting of shareholders; (ii) annually review the Board’s performance and effectiveness; (iii) assess and make recommendations to the Board regarding the size, composition, authority and performance of each Board committee; and (iv) annual review and recommend to the Board the corporate governance guidelines and policies applicable to the Company.

Committee Membership

The Committee shall consist of at least three directors, each of whom shall satisfy the independence requirements of the Securities and Exchange Commission, the Nasdaq Stock Market Inc. and any other body with regulatory authority over the Company. The Board of Directors shall appoint the members of the Committee. The members of the Committee shall serve until their successors are appointed and have qualified, and may recommend to the Board a Chairman of the Committee. The Board of Directors shall have the power to change the membership of the Committee and to fill any vacancies on the Committee.

Meetings

The Committee shall meet with such frequency and at such intervals as it shall determine necessary to carry out its duties and responsibilities, but in no event less than once annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and shall provide copies of such minutes to the Board of Directors. The Committee shall determine its rules of procedure.

Committee Authority and Responsibilities

The Committee’s duties and responsibilities are generally to:

- Determine desired Board member skills and attributes and annually review and update the criteria for directors set forth in the Nominating and Governance Committee Policy Regarding Qualifications of Directors attached as Appendix A hereto.
- At least annually, evaluate the size and composition of the Board and each committee in light of the operating requirements of the Company and existing corporate governance trends, including consideration of appropriate

areas of expertise to be represented on the Board and each committee, and report its findings and any recommendations to the Board.

- Recommend to Board the slate of nominees for election to the Board at the Company's annual meeting of shareholders. Evaluate the incumbent directors whose terms expire at the upcoming meeting, determine whether those individuals satisfy the qualification criteria for continued membership on the Board of Directors, and make a determination as to whether to recommend such incumbent directors to serve for an additional term on the Board. In accordance with SEC requirements, the Board shall discuss and consider each such individual's specific experience, qualifications, attributes or skills, including particular areas of expertise or other relevant qualifications, which indicate that the individual should serve as a director, in light of the Company's business and structure; and shall cause appropriate disclosure concerning such matters to be made in the Company's annual proxy statement.
- As the need arises, conduct searches for prospective directors whose skills and attributes reflect those desired, as reflected in the Policy Regarding Qualifications of Directors attached as Appendix A hereto. Each nominee will be considered both on individual merits and in relation to existing or other potential members of the Board, with a view to establishing a well-rounded, diverse, knowledgeable, and experienced Board. The Committee shall conduct reviews as appropriate into the background and qualifications of director candidates.
- Consider bona fide candidates recommended by shareholders for nomination for election to the Board in accordance with the Procedures for Shareholders Submitting Nominating Recommendations attached hereto as Appendix B. The Committee will consider such candidates in accordance with the policies set forth in Policy Concerning Consideration of Shareholder Recommendations for Director Candidates attached hereto as Appendix C.
- As necessary in the Committee's judgment from time to time, retain and compensate third party search firms to assist in identifying or evaluating potential nominees to the Board.
- Assess the effectiveness of the Board of Directors in meeting its responsibilities, and of the relationship between the Board and management. Report annually to the Board with an assessment of the Board's performance and the performance of the Board committees, including the Nominating and Governance Committee, to be discussed with the full Board following the end of each fiscal year.

- Monitor the orientation and continuing education program for directors.
- Review and assess, at least annually, the adequacy of the Company's Corporate Governance Guidelines in light of the legal and regulatory requirements applicable to the Company, its directors, officers and employees, and report to the Board any recommendations it may have in connection therewith.
- Review and assess, at least annually, the adequacy of the Company's Code of Ethics. In addition, the Committee shall review all reports of suspicious or illegal activity, or of suspected violations of the Code not involving audit or accounting related matters, submitted by the Director of Human Resources, and shall take any actions as may be necessary and appropriate after reviewing such reports. Have ultimate responsibility for determining matters of interpretation with respect to the non-audit related portions of the Code of Ethics, and for making all final decisions concerning any disciplinary actions relating to those portions of the Code.
- Review and maintain oversight of matters relating to the independence of Board and committee members, in light of the independence standards of the Sarbanes-Oxley Act of 2002 and the rules of Nasdaq.
- Periodically review, with the Chairman of the Board and the Chief Executive Officer, the succession plans of the Company relating to positions held by executive officers, directors and the Chairman, and make recommendations to the Board of Directors with respect to management and director succession.
- Make regular reports to the Board concerning its activities.
- Annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also perform an annual evaluation of its own performance. In conducting this review, the Committee shall address all matters that it considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board; the manner in which they were discussed or debated; and whether the number and length of meetings of the committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.
- The Committee shall be empowered to engage or compensate independent legal, accounting or other advisors as it determines necessary to carry out its duties, including the sole authority to retain and terminate any search firm to

be used to identify director candidates and to approve such firm's fees and other retention terms. To the extent required by Nasdaq rules, the Committee may select or receive from an advisor only after taking into consideration the factors set forth in the Nasdaq rules. Fees for any advisor will be borne by the Company.

Appendix A
SIERRA BANCORP

Policy Regarding Qualifications of Directors

The Board of Directors (the “Board”) and the Nominating and Governance Committee (the “Committee”) of Sierra Bancorp (the “Company”) believe that members of the Board should possess certain basic personal and professional qualities in order to properly discharge their fiduciary duties to shareholders, provide effective oversight of the management of the Company, and monitor the Company’s adherence to principles of sound corporate governance. It is therefore the policy of the Board and the Committee that all persons nominated to serve as directors of the Company should possess as many as possible of the following attributes:

- **Integrity and Ethical Values.** Candidates should possess the highest personal and professional standards of integrity and ethical values.
- **Experience.** Candidates should have substantial experience which is of particular relevance to the Company, and should serve or have served as chief executive officer or in another position of active leadership with a business or professional interest located within one or more of the market areas served by the Company.
- **Reputation.** Candidates should have an excellent personal and professional reputation in and commitment to one or more communities in which the Company does business.
- **Knowledge of Company Affairs.** Candidates should be knowledgeable about the business activities and market areas in which the Company does business.
- **Business Understanding.** Candidates should have a general appreciation regarding major issues facing public companies of a size and operational scope similar to the Company. These include:
 - contemporary governance concerns;
 - regulatory obligations of a public issuer;
 - strategic business planning;
 - competition in a global economy; and
 - basic concepts of corporate accounting and finance.

- **Time Commitment and Availability.** Candidates should have the ability and willingness to devote sufficient time to the affairs of the Company. It is expected that each candidate will be able to arrange their business and professional commitments, including service on the boards of other companies and organizations, so that they are available to attend the meetings of the Company's Board and any committees on which they serve, as well as the Company's annual meeting of shareholders.
- **Financial Commitment.** Candidates should have a meaningful financial stake in the Company so as to assure that every director's interests are aligned with those of the shareholders.
- **Geographic Representation.** Candidates should live or work within 25 miles of an existing or proposed office of the Company's banking subsidiary, Bank of the Sierra.
- **Inquisitiveness and Constructive Approach.** Candidates should have an inquiring mind, a willingness to ask hard questions, and the ability to work constructively with others.
- **Independent Thinking.** Candidates should have the ability and desire to exercise independent thinking when considering matters brought before the Board, and not be unduly influenced by the opinions of others.
- **Absence of Conflicts of Interests.** Candidates should have no conflict of interest that would interfere with his or her performance as a director.
- **Fair and Equal Representation.** Candidates should have the capacity and desire to represent the best interests of the shareholders as a whole, and should not serve for the purpose of favoring or advancing the interests of any specific interest group or other constituency.
- **Compliance with Certain Nasdaq Requirements.** In recommending candidates to the Board for nomination as directors, the Committee will also assure that:
 - at least a majority of the directors to be serving at any time on the Board are independent, as defined under the rules of Nasdaq; and
 - at least three of the directors satisfy the financial literacy requirements required for service on the audit committee under the rules of Nasdaq.

- **Additional Considerations.** In considering the desirability of any particular candidate as a potential director, the Committee shall also consider the contributions that a candidate can be expected to make to the collective functioning of the Board based upon the totality of the candidate's credentials, experience and expertise, the composition of the board at the time, and other relevant circumstances, including the fit of the individual's skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to the needs of the Company.

While the Board and the Committee believe that every director should possess as many of the foregoing attributes as possible, the Committee has not recommended, and the Board has not established, any specific group of such attributes to be considered "minimum qualifications" for serving as a director.

This Policy may be modified by the Board from time to time upon recommendation by the Committee.

Appendix B

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**Procedures for Shareholders
Submitting Nomination Recommendations**

The Board of Directors (the “Board”) of Sierra Bancorp (the “Company”), upon the recommendation of the Nominating and Governance Committee (the “Committee”), has adopted the following procedures for shareholders to submit recommendations for nomination to the Board. These procedures may be modified by the Board from time to time upon recommendation by the Committee.

Shareholders Entitled to Make Submissions. The Committee will accept for consideration submissions of recommendations for the nomination of directors from shareholders who meet the minimum percentage ownership requirements that the Board may establish from time to time upon the recommendation of the Committee. Submissions of such recommendations must comply with the requirements set forth below. Acceptance of a recommendation for consideration does not imply that the Committee will recommend the candidate to the Board for nomination.

Manner and Address for Submission. All shareholder nominating recommendations must be in writing, addressed to the Committee in care of the Company’s corporate secretary at the Company’s principal offices. Submissions must be made by mail, courier or personal delivery.

Consideration of Shareholder Recommendations. In considering any submissions by shareholders concerning candidates for service as directors, the Committee shall follow the same principles and apply the same qualification criteria as outlined in the Company’s Policy Regarding Qualifications of Directors which is included as Appendix A to the Nominating and Governance Committee Charter. The Committee shall also request of any potential nominee such information, including a completed Directors’ and Officers’ Questionnaire of the same type completed by each of the Company’s existing directors and executive officers each year in connection with the preparation of the Company’s proxy materials, as the Committee deems necessary to enable it to properly evaluate such person’s qualifications and to be aware of any information concerning such person which might require disclosure to shareholders pursuant to the SEC rules concerning proxy statements.

Required Information Concerning the Proposed Nominee. Any nominating recommendation must include the following information in the written recommendation:

- a statement supporting its view that the proposed nominee possesses the minimum qualifications prescribed by the Committee for nominees, and briefly describing the contributions that the nominee would be expected to make to the Board and to the governance of the Company;
- the information required by Item 401 of Regulation S-K (generally providing for disclosure of the name, address, and business experience for the past five years of the proposed nominee, as well as information regarding certain types of legal proceedings within the past five years involving the nominee);
- the information required by Item 403 of Regulation S-K (generally providing for disclosure regarding the proposed nominee's ownership of securities of the Company);
- the information required by Item 404 of Regulation S-K (generally providing for disclosure of transactions between the Company and the proposed nominee valued in excess of \$120,000 and certain other types of business relationships with the Company);
- information regarding any relationships between the candidate and any of the Company's competitors, customers, suppliers, or other persons with special interests regarding the Company;
- information regarding any relationship or understanding between the proposing shareholder and the candidate; and
- a statement that the proposed candidate has agreed to furnish to the Company all information (including a completed Directors' and Officers' Questionnaire as described above) as the Company deems necessary to evaluate such candidate's qualifications to serve as a director.

Information Concerning the Recommending Shareholder. A nominating recommendation must be accompanied by the following information concerning the recommending shareholder. If a recommendation is submitted by a group of two or more shareholders, this information must be submitted with respect to each shareholder in the group:

- the name, address and telephone of the recommending shareholder;
- the number of shares of the Company's stock which are owned beneficially or of record by such shareholder and the time period for which such shares have been held;
- if the recommending shareholder is not a shareholder of record, a statement from the record holder of the shares (usually a broker or bank) verifying the holdings of the shareholder and a statement from the recommending shareholder of the length of time that the shares have been held;
- alternatively, the shareholder may furnish a current Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 filed with the Securities and Exchange Commission reflecting the holdings of the shareholder, together with a statement of the length of time that the shares have been held; and
- a statement from the shareholder as to whether the shareholder has a good faith intention to continue to hold the reported shares through the date of the Company's next annual meeting of shareholders.

Ability to Represent All Shareholders. The recommending shareholder must state whether, in the view of the shareholder, the nominee, if elected, would represent all shareholders and not serve for the purpose of advancing or favoring any particular shareholder or other constituency of the Company.

Consent to be Interviewed by the Committee and, if Nominated and Elected, to Serve. The nominating recommendation must be accompanied by the written consent of the proposed nominee to: (a) be considered by the Committee and interviewed if the Committee chooses to do so in its discretion, and (b) if nominated and elected, to serve as a director of the Company. The recommending shareholder must furnish the proposed nominee's contact information for this purpose.

Timing for Submissions Regarding Nominees for Election at Annual Meetings. A shareholder wishing to submit recommendations for director candidates for election at an annual meeting of shareholders must do so in writing by December 15 of the previous calendar year.

Nominations by Shareholders. The procedures for shareholders to nominate directors (as opposed to making recommendations pursuant to the above procedure) are set forth in the Company's Bylaws, which provide in pertinent part as follows:

“Nominations for election of members of the Board of Directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Notice of intention to make any nominations by a shareholder shall be made in writing and shall be delivered or mailed to and received by the Secretary of the Corporation not less than one hundred twenty (120) calendar days in advance of the date corresponding to that on which the Corporation’s proxy statement was released to the shareholders in connection with the previous year’s annual meeting of shareholders; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year’s proxy statement, notice by the shareholder must be received by the Secretary of the Corporation not later than the close of business on the later of (i) one hundred and twenty (120) days prior to such annual meeting; or (ii) ten (10) days after the date the notice of such meeting is sent to shareholders pursuant to Section 2.2(d) of these Bylaws... Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of voting stock of the Corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder and the beneficial owner, if any, on whose behalf the nomination is made; and (e) the number of shares of voting stock of the Corporation owned beneficially and of record by the notifying shareholder and such beneficial owner.”

Appendix C

SIERRA BANCORP

**Policy Concerning Consideration of
Shareholder Recommendations for Director Candidates**

It is the policy of Sierra Bancorp (the “Company”) that the Nominating and Governance Committee (the “Committee”) of the Board of Directors (the “Board”) consider recommendations for the nomination of directors submitted by shareholders pursuant to the guidelines described below.

- **Stock Ownership.** In order for the recommendation of a shareholder to be considered under this Policy, the recommending shareholder or group of shareholders must have held at least 1% of the Company’s common stock for at least one year as of the date the recommendation was made.
- **Limit on Number of Recommendations.** For each annual meeting of shareholders, the Committee will accept for consideration only one recommendation from any shareholder or affiliated group of shareholders. An affiliated group of shareholders means shareholders constituting a group under Regulation 13D under the Securities Exchange Act of 1934, as amended.
- **Qualification Requirements.** The Committee will only consider recommendations of nominees who meet the standards set forth in the Company’s Policy Regarding Qualifications of Directors, which is included as Appendix A to the Nominating and Governance Committee Charter, including that a director should represent the interests of all shareholders and not serve for the purpose of favoring or advancing the interests of any specific interest group or other constituency.
- **Procedural Requirements.** The Committee will only consider those recommendations whose submission complies with the procedural requirements adopted by the Board upon the recommendation of the Committee, as set forth in the Company’s Procedures for Shareholders Submitting Nomination Recommendations, which is included as Appendix B to the Nominating and Governance Committee Charter.
- **Manner of Consideration.** All recommendations submitted by shareholders will be considered in the same manner and under the same process as any other recommendations submitted from other sources.

The Committee will select candidates to be recommended for nomination by the Board according to the above requirements and procedures. The Committee is under no obligation to recommend any candidate for nomination.

This Policy may be revised or revoked by the Board upon the recommendation of the Committee at any time.