

# FARMERS & MERCHANTS BANCORP

## NOMINATING COMMITTEE CHARTER

### **Mission Statement**

The Nominating Committee shall assist the full Board of Directors in selecting individuals for service on the Board of Directors of the Company and Bank and evaluating their performance.

### **Membership and Qualification**

The Committee shall consist of two or more "independent directors" as defined in and determined pursuant to Rule 5605(a)(2) of the NASDAQ's current listing standards. The Committee members shall be elected by the Board annually for terms of one year, or until their successors shall be duly elected and qualified. The Board may remove any Committee member at any time. Unless a Committee Chairman is elected by the full Board, the Committee members may designate a Chairman.

### **Meetings and Other Actions**

The Committee shall meet as required to carry out its responsibilities. Meetings may be called by the Chairman of the Committee or at the request of the Chief Executive Officer. All meetings of and other actions by the Committee shall be held or otherwise taken pursuant to the Company's By-Laws.

Reports of meetings shall be made by the Committee Chairman to the Board of Directors at its next regularly scheduled meeting following the Committee meeting.

### **Responsibilities and Authority**

In carrying out its mission, the Committee shall have the following responsibilities and authority.

1. Evaluate periodically the desirability of and recommend to the Board any changes in the size and composition of the Board, including recommending an annual slate of nominees to the Board of Directors.
2. Ensure compliance with all State and Federal laws regarding Board composition.
3. Make recommendations to the Board for the selection of directors in accordance with the criteria set forth below.
  - Director selection should include at least enough independent directors so that the independent directors will constitute at least a majority of the Board.
  - Independent directors should have appropriate skills, experiences and other characteristics to provide qualified persons to fill all Board Committee positions required to be filled by independent directors.
  - The Chief Executive Officer of the Company shall be a director and, depending on the circumstances, certain other members of management, as well as certain individuals having relationships with the Company that prevent them from being independent directors, may be appropriate members of the Board.

4. Evaluate each new director candidate before recommending that the Board nominate such individual for election as a director.
5. Diligently seek to identify potential director candidates who will strengthen the Board.
6. Submit to the Board the candidates for director to be added to the Board due to Board expansions, director resignations or retirements or otherwise.
7. Perform an evaluation of the Committee's performance and assess any required changes in the Nominating Committee Charter.
8. Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board of Directors of the Company.
9. Review and make recommendations to the Board of Directors on management's proposed responses to stockholder proposals and consider other stockholder activism issues.

#### **Nominations by Shareholders**

The Committee will consider recommendations from shareholders for nomination as a Board member as provided for in Article III, Section 3.4 of the By-Laws of the Company.

#### **Communications with Directors**

The Committee will recommend procedures for persons to communicate with directors. The following procedures will be in effect until changed by the Committee. Any person, including any stockholder, desiring to communicate with, or make any concerns known to, the Company, directors generally, non-management directors or an individual director only may do so by submitting them in writing to the Secretary of the Company, with information to identify the person submitting the communication or concern, including name, address, telephone number and e-mail address (if applicable) together with information indicating the relationship of such person to the Company. The Secretary will be responsible for maintaining a record of any such communications or concerns and submitting them to the appropriate addressee(s) for potential action or response. The Company may institute appropriate procedures to establish the authenticity of any communication or concern before forwarding. The Company will not be obligated to investigate or forward any anonymous submissions from persons who are not employees of the Company.

#### **Additional Resources**

The Committee shall have the authority to hire independent consultants, including counsel, to assist and advise the Committee in connection with its responsibilities.