

FARMERS & MERCHANTS BANCORP

PERSONNEL COMMITTEE CHARTER

Role

The Personnel Committee's role is to discharge the Board's responsibilities relating to compensation of the Company's executives and directors as well as to oversee and advise the Board on the adoption of policies that govern the Company's compensation and benefit programs.

Membership and Authority

The membership of the Committee consists of at least three directors, each of whom shall meet the independence requirements as defined by Rule 5605(a)(2) of the NASDAQ's current listing standards. The Board appoints the members of the Committee and the chairman.

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain outside counsel, compensation consultants, or other experts or consultants, as it deems appropriate. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee to perform certain of its duties on its behalf. Any actions by the Committee relating to counsel, compensation consultants or other experts shall be in compliance with Section 10C of the Securities Exchange Act of 1934.

Responsibilities

The principal responsibilities and functions of the Personnel Committee are as follows.

1. Review the competitiveness of the Company's executive compensation programs to ensure: (a) the attraction and retention of executives; (b) the motivation of executives to achieve the Company's business objectives; and (c) the alignment of the interests of senior management with the long-term interests of the Company's stockholders.
2. Review trends in executive compensation, oversee the development of new compensation plans, and, when necessary, approve the revision of existing plans.
3. Review and approve the compensation structure for executives at the level of senior vice president and above.
4. Oversee an evaluation of the performance of the Company's executive officers and approve the annual compensation, including salary, bonus and other incentive compensation, for the executive officers. Review and approve compensation packages for new executive officers and termination packages for executive officers.
5. Assist the Board in establishing executive officer annual goals and objectives, and consider the results of executive officer performance reviews in recommending compensation to the other independent members of the Board for approval consistent with the Company's compensation philosophy.
6. Review and discuss with the Board plans for executive officer development and corporate succession plans for the CEO and other executive officers.

7. Review and make recommendations concerning long-term non-qualified deferred compensation plans.
8. Appoint and remove plan administrators for the Company's qualified and non-qualified retirement plans.
9. Periodically review the compensation paid to non-employee directors and make recommendations to the Board for any adjustments. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as a director.
10. Review periodic reports from management on matters relating to the Company's compensation practices.
11. Produce an annual report of the Compensation Committee on executive compensation for the Company's annual proxy statement in compliance with and to the extent required by applicable Securities and Exchange Commission rules and regulations.
12. Regularly review and make recommendations about changes to the charter of the Committee.