

**FIVE STAR BANCORP**  
**GOVERNANCE AND NOMINATING COMMITTEE CHARTER**  
*Approved 02/09/2021 contingent on initial public offering*

The primary function of the Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Five Star Bancorp (the “Company”) is to (i) identify individuals qualified to become members of the Board, (ii) approve and recommend to the Board director candidates, (iii) develop, update as necessary and recommend to the Board corporate governance principles and policies applicable to the Company, and monitor compliance with such principles and policies, (v) track Board skill sets, (vi) monitor Board meetings and Board member involvement, and (vii) manage Board member continuing education. The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

**Composition and Delegation**

The Committee shall be comprised of at least three members. Each member of the Committee shall be a member of the Board and meet the independence requirements established by the Board and applicable laws and regulations, including the requirements of the Securities and Exchange Commission (“SEC”) and the listing standards of the Nasdaq Stock Market LLC. The members of the Committee shall be appointed annually by the Board, which shall designate one member of the Committee as its Chairperson. The Board may remove any member from the Committee at any time with or without cause. The Committee when appropriate may delegate authority to one or more designated members of the Committee, the Board or Company officers.

The Committee shall have sole authority to retain and terminate any search firm that is used to identify director candidates and the sole authority to approve fees and other retention terms. At the Company’s expense, and as the Committee deems appropriate, it may also retain independent counsel and other consultants to assist the Committee without seeking further Board approval with respect to the selection, fees or retention terms for any such advisers.

**Duties and Responsibilities**

The Committee shall:

*Director Selection*

1. Review, interview, approve and recommend for Board consideration director candidates based on the Director Selection Guidelines outlined in Exhibit A to this Charter, and advise the Board with regard to nomination or election of director candidates.
2. Periodically review, approve and recommend to the Board appropriate revisions to the Director Selection Guidelines outlined in Exhibit A to this Charter.
3. Determine procedures for the review, approval and recommendation of director candidates, as appropriate.
4. Maintain an inventory of the skills, capabilities and other desirable characteristics that are currently represented on the Board and any additional skills that may be needed.

5. Maintain a list of potential Board members and periodically update the status of those potential Board members.
6. Recommend to the Board a slate of director nominees to be presented at the next annual meeting of the shareholders.
7. Recommend to the Board director nominees to fill vacancies on the Board.
8. Review and recommend to the Board whether to seek and accept a director's offer to tender his/her resignation.

#### *Board and Board Performance*

9. Periodically review and recommend to the Board the appropriate size of the Board.
10. Periodically review the appropriateness of any restrictions on Board service, such as term limits and retirement policy.
11. Periodically review the independence of all Board members and its various committees and the relevant independence standards.
12. Establish performance criteria/expectations for directors in areas of attendance, preparedness, candor and participation.
13. Establish, coordinate and review with the Chairperson of the Board criteria and method for the annual evaluation of the performance and effectiveness of the Board and its committees, and oversee the communication of the results of such evaluations to the Board.
14. Monitor the involvement and engagement of all Board members.
15. Work with Company staff to ensure that the Board member Travel and Business Expense Reimbursement Process effectively reimburses Board members for all allowable business expenses.
16. Oversee succession planning for the Board and Board leadership appointments, including Chairpersons of the committees.

#### *Board Leadership*

17. Develop and recommend to the Board procedures for selection of the Chairperson of the Board.
18. Develop and recommend to the Board procedures for Board review of the Chairperson of the Board, and for communicating such review to, the Chairperson of the Board.

#### *Board Relationship to Senior Management*

19. Monitor process and scope of director access to Company management and employees and communications between directors and Company management and employees.

### *Meeting Procedures*

20. Provide support, when requested, to the Chairperson of the Board and the Chief Executive Officer (“CEO”), for the completion of the annual meeting calendar for the Board.
21. Ensure that executive sessions take place regularly in conjunction with scheduled Board meetings.
22. Provide support, when requested, to the Chairperson of the Board in the preparation of agendas for organizing and running Board meetings.
23. Review the subject matter, detail and process for distribution of Board materials to ensure that directors have adequate time to review materials and prepare for meetings.

### *Board Committee Matters*

24. Review, as appropriate, the number, type, functions, structure and independence of committees.
25. Review and recommend, as appropriate, the Board director membership on Board committees and advise the Board with regard to the selection of Chairpersons of committees.
26. Review, as appropriate, criteria and method for evaluating the effectiveness of the committees.

### *Management Selection and Development*

27. Review, as appropriate, the procedures for selection of the CEO and, in consultation with the CEO, other senior management.
28. Review, as appropriate, the guidelines for, and monitor compliance with, long-range succession planning.
29. Review, as appropriate, a short-term succession plan for unexpected situations affecting the CEO and senior management.
30. Monitor procedures relating to executive development.

### *Director Orientation and Continuing Education*

31. Periodically review and recommend revisions, as appropriate, to the Company's director orientation program.
32. Monitor, plan and support budgeted onboarding, continuing education and training activities of the directors.

### *Governance Policies*

33. Develop and periodically review, at least annually, the Company's corporate governance policies and ensure that they are appropriate for the Company and

- comply with applicable laws, regulations and best practices, and recommend any proposed changes to the Board.
34. Periodically review the Company's organizational documents, and recommend any proposed changes to the Board.
  35. Develop and periodically review and recommend to the Board in consultation with the Audit Committee appropriate revisions to a code of conduct and code of ethics applicable to the Company's directors, officers and employees pursuant to and at a minimum to the extent required by regulations applicable to the Company from time to time.
  36. Monitor compliance with and the effectiveness of the aforementioned codes.
  37. Develop, review and recommend to the Board, as appropriate, other principles and policies relating to corporate governance, and monitor compliance with and the effectiveness of such principles and policies, as appropriate.
  38. Monitor and review evolving corporate governance trends and best practices.
  39. Consider social responsibility, environmental and sustainability matters and recommend to the Board any desirable changes. Review shareholder feedback relating to governance and social responsibility and management's proposed responses to such feedback.
  40. Periodically review and assess the Company's shareholder engagement process.

## **Meetings**

In accordance with the applicable provisions of the Company's Bylaws, as amended from time to time, the Committee shall meet at least four times each year at such times and places as the Chairperson of the Committee, in consultation with the other members of the Committee, deems advisable, and shall make such recommendations to the Board as the Committee considers appropriate. Presence of a majority of the Committee members at a meeting of the Committee constitutes a quorum for the transaction of business. The action of a majority vote of those present at a meeting, at which a quorum is attained, will be the act of the Committee. The Chairperson of the Committee, in consultation with the Committee members and management, will determine the agenda of Committee meetings. In lieu of a meeting, the committee may act by unanimous written consent.

The Committee will meet periodically in executive sessions of only the Committee members and, if invited by the Committee in its sole discretion, other independent members of the Board. When appropriate, the Committee may meet in separate executive session with other independent directors, management, employees, general counsel, internal audit, the independent auditor or other consultants or advisors it may retain to discuss matters that the Committee or the other groups believe warrant Committee attention.

## **Minutes**

Minutes of each meeting shall be prepared by the Chairperson of the Committee or by his/her designee and sent to Committee members. Following an initial review by the Committee members, the Committee will provide the minutes to the Board. The Secretary of the Company shall be responsible for archiving the approved minutes and such responsibility

may be delegated to the Chairperson of the Board's Assistant. The Committee will also make regular reports to the Board on any significant matters arising from the Committee's work.

### **Evaluation**

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an evaluation at least annually of the Committee's performance and make applicable recommendations. The Committee will report to the Board the results of the evaluation.

**EXHIBIT A**  
**FIVE STAR BANCORP**

**Director Selection Guidelines**

The Charter of the Governance Committee (the “Committee”) of the Board requires the Committee to develop and periodically review and recommend to the Board appropriate revisions to these Director Selection Guidelines. The following guidelines have been adopted by the Board upon the recommendation of the Committee.

**Director Qualifications**

When considering potential director candidates for nomination or election, directors should consider the following qualifications, among others, of each director candidate:

1. High standard of personal and professional ethics, integrity and values;
2. Willingness and ability to devote the required time and effort to effectively fulfill the duties and responsibilities related to Board and committee membership including business development, education, board meeting attendance and local community activity from a business and philanthropic perspective;
3. Training, experience and ability at making and overseeing policy in business, government and/or education sectors;
4. Willingness and ability to keep an open mind when considering matters affecting interests of the Company and its constituents;
5. Willingness and ability to serve on the Board for multiple terms, if nominated and elected, to enable development of a deeper understanding of the Company’s business affairs;
6. Willingness not to engage in activities or interests that may create a conflict of interest with a director’s responsibilities and duties to the Company and its constituents; and
7. Willingness to act in the best interests of the Company and its constituents, and objectively assess Board, committee and management performances.

**Board Composition Selection Criteria**

The Board believes that its effectiveness depends on the overall mix of the skills and characteristics of its directors. Accordingly, the following factors, among others, relating to overall Board composition should be considered when determining Board needs and evaluating director candidates to fill such needs:

1. Independence;
2. Diversity;
3. Professional experience;

4. Industry knowledge (e.g., relevant industry or trade association participation);
5. Skills and expertise (e.g., accounting or financial);
6. Leadership qualities;
7. Company board and committee experience;
8. Non-business-related activities and experience (e.g., academic, civic, public interest);
9. Board continuity (including succession planning);
10. Board size;
11. Number and type of committees, and committee sizes; and
12. Legal and other applicable requirements and recommendations, and other corporate governance-related guidance regarding board and committee composition.

### **Selection Procedures**

Potential director candidates should be referred to the Chairperson of the Committee for consideration by the Committee and possible recommendation to the Board. The Committee shall maintain a list of director candidates to consider and propose to the Board, as required. If necessary or desirable in the opinion of the Committee, the Committee will determine appropriate means for seeking additional director candidates, including engagement of any outside consultant to assist the Committee in the identification of director candidates.

The Committee will consider candidates recommended by shareholders. Shareholders wishing to suggest director candidates should submit their suggestions in writing to the Chairperson of the Committee, c/o the Corporate Secretary, providing the candidate's name, biographical data and other relevant information.

The Committee shall decide on the appropriate means for the review and approval of individual director candidates, including current directors, and the recommendation of director candidates to the Board. In the event of a vacancy on the Board, the Chairperson of the Committee shall initiate the effort to identify appropriate director candidates.