

ARTICLE 1  
DUTIES AND RESPONSIBILITIES

**Section 1.1 General Purpose.** The Executive Committee of Plumas Bancorp (“Bancorp”) and Plumas Bank (the “Bank”) (**collectively, the “Company”**), **is a committee of the Board of Directors of Bancorp and the Bank (collectively “Board”). The primary purpose of the Executive Committee is to act on behalf of the Board in fulfilling the Board’s oversight responsibilities with respect to:**

- a) Oversee management’s implementation of the Company’s strategic plan to ensure that it progresses in an orderly and sustained manner, consistent with industry-wide safety and soundness best practices;
- b) Oversee the real estate, facility and fixed asset management processes of the Company to ensure that that these assets are procured and managed in a prudent manner, consistent with the Company’s strategic objectives;
- c) Evaluate and monitor the introduction and use of technology by management to ensure its implementation properly integrates into the fulfillment of the Company’s strategic plan;
- d) Oversee management’s offering of non-deposit investment products (NDIP) by the Company to ensure that they are provided to customers in a sound and prudent manner, consistent with all applicable regulatory requirements;
- e) Oversee the capital, ownership structure and shareholder management of the Company;
- f) Review and approve the Company’s risk management practices as it relates to proper insurance coverages.
- g) Evaluate and monitor other policy areas not specifically assigned to other Board committees.

**Section 1.2 Reporting to Board; Board Responsibility.** The Executive Committee shall report regularly to the Board. The Board and management shall ensure that the Executive Committee has adequate resources and authority to discharge its responsibilities.

**Section 1.3 Policy Development and Approval.** The Executive Committee shall work with the Board and management in instituting policies for the Company. Such policies originate with management and are submitted to the Executive Committee for review and concurrence. These policies are then submitted by the Executive Committee with its recommendation to the Board for approval. Such Policies shall address strategic planning, fixed asset acquisition and utilization, technology, non-deposit investment product and capital planning, ownership structure considerations and shareholder management issues and proper risk management practices with regard to such matters as:

Strategic Planning

- a) Oversight of planning process
- b) Monitoring of implementation progress

Fixed Assets

- a) Risk management guidelines
- b) Management approval limits
- c) Policy compliance monitoring process

Technology

- a) Risk management guidelines
- b) Policy compliance monitoring process

Non-Deposit Investment Products

- a) Risk management guidelines
- b) Policy compliance monitoring process

Capital Planning/Shareholder Management

- a) Dividend/Stock Split evaluation
- b) Shareholder value and ownership structure considerations
- c) Capital adequacy planning
- d) Investor relations strategy
- e) Monitoring of Company's stock market activity

Risk Management/Insurance Coverage

- a) Director and Officer, including Cyber Insurance
- b) Financial Institution Bond
- c) Property and Liability Insurance
- d) Workers Compensation Insurance

**Section 1.4 Policy Implementation Oversight.** The Executive Committee shall develop a process for reviewing and evaluating the progress of the implementation of the Company's Strategic Plan and keeping the Board informed regarding the implementation of the Plan. The Executive Committee shall provide oversight regarding capital adequacy and shareholder management. It shall also review and evaluate fixed asset, technology, non-deposit investment products and capital planning policies of the Company. This process shall include reviewing reports presented by management regarding the status of the implementation of the Strategic Plan and major fixed asset/facilities management and technology projects in process at the Executive Committee's regular meeting. The Executive Committee shall review the quality of the technology administration and non-deposit investment product program through a regular evaluation conducted by a reputable third-party, as directed by the Audit Committee of the Company. The results of these evaluations shall be reported to the Audit Committee and the Executive Committee as well as the Board. The Executive Committee shall periodically inquire of management regarding the status of any items requiring corrective action as identified through the third-party evaluation.

## **ARTICLE 2 ORGANIZATION**

**Section 2.1 Membership.** The Executive Committee will consist of no fewer than three (3) members, with a majority of those members being outside director members. An "Outside Director" is any director of the Company who is independent as determined in accordance with applicable law, including the rules and regulations of the Securities and Exchange Commission, and the rules of NASDAQ, as applicable except as otherwise permitted by the such rules.

**Section 2.2 Appointment and Term.** The Chair of the Board shall nominate the members and Chair of the Executive Committee, respectively, *and* present these nominations to the Corporate Governance Committee who shall recommend confirmation of names to the Board for approval. These appointments to the Executive Committee made by the Chairman of the Board are subject to a term of one year. Those appointed will serve at the discretion of the Board.

**Section 2.3 Duties of Chair.** The Chair will preside at all meetings of the Executive Committee and perform any duties as may be assigned by the Board from time to time.

**Section 2.4 Resignation.** Any member of the Executive Committee may resign, effective upon giving written notice to the Chair of the Board unless the notice specifies a later time for the effectiveness of the resignation.

**Section 2.5 Vacancies.** All vacancies on the Executive Committee, however created, may be filled by the Board, subject to nomination by the Chair of the Board and confirmation of the Corporate Governance Committee. Each member of the Executive Committee so appointed will hold office until the expiration of the appointed term and until a successor is appointed and qualified.

**Section 2.6 Regular Meetings.** Regular meetings of the Executive Committee will be held at the time and place as the Executive Committee determines. Regular meetings of the Executive Committee will be held at least quarterly, unless not deemed necessary by the Chair of the Executive Committee. Any change in the time or place of a regularly scheduled meeting will require:

- (a) The consent of a majority of the members of the Executive Committee; and
- (b) Five days' notice by mail or twenty-four hours' notice received personally, by telephone, e-mail or other similar transmission.

**Section 2.7 Special Meetings.** Special meetings of the Executive Committee may be called at any time by the Chair of the Executive Committee, any two voting members of the Executive Committee, the Chief Executive Officer of the Company, or by a majority of the Board. Special meetings may be held upon five days' notice by mail or twenty-four hours' notice received personally, by telephone, e-mail or similar transmission. Notice of special meetings need not be given to any member who:

- (a) Before or after the meeting, signs (i) a waiver of notice, or (ii) a consent to holding the meeting, or (iii) an approval of the subject minutes; or
- (b) Attends the meeting without protesting the lack of notice to such member.

**Section 2.8 Voting.** **If the Executive Committee is comprised of an even number of directors, one-half of the number of directors will constitute a quorum for the transaction of business. If the Executive Committee is comprised of an odd number of directors, a majority of the Executive Committee members will constitute a quorum for the transaction of business.** Every action consented to by a majority of the Executive Committee members present at a meeting (at which a quorum is present) will be regarded as an act of the Executive Committee, unless other consent is required pursuant to this Charter, the Articles of Incorporation or Bylaws of Bancorp and Bank or applicable law.

**Section 2.9 Minutes.** The Chair of the Executive Committee will ensure that minutes and other relevant records of the meetings and activities of the Executive Committee are maintained. The minutes will be available for review by the Executive Committee, Board, the Company's outside independent auditor and any regulatory agency having jurisdiction over the affairs of the Company.

**Section 2.10 Presence at Meetings.** Members of the Executive Committee may participate in a meeting through use of conference telephone or similar communication

equipment, so long as all members participating in the meetings can hear one another. A telephone poll or electronic communication such as e-mail or other similar transmission may be conducted for the purposes of obtaining required approvals between regularly scheduled meetings to facilitate operations. In such cases, the telephone poll or electronic communication may be conducted where all members participating may not hear one another. Use of these alternate meeting methods when all members cannot hear one another will be on an exception basis. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting. Written records of the results of a telephone poll or electronic communication shall be reported at the next regularly scheduled Executive Committee meeting by management.

**Section 2.11 Amendments.** This Charter of the Executive Committee may be amended only by a resolution of the Board.

**Section 2.12 Delegation of Authority.** This Executive Committee may form and delegate authority to subcommittees when appropriate.