



Luther Burbank<sup>®</sup>  
**Corporation**

***Governance and Nominating Committee Charter***

Purpose

The Committee is responsible for assisting the Board of Directors (“Board”) in (i) developing and recommending to the Board corporate governance principles and practices applicable to the Company; (ii) reviewing and reporting to the Board on senior management talent planning and succession; (iii) overseeing the annual review and evaluation of the performance of the Board and its Committees; and (iv) identifying individuals qualified to become members of the Board and recommending Director nominees to the Board.

Organization

The Committee shall be comprised of at least two directors who shall be appointed by the Board and who shall meet the independence requirements of the applicable listing rules of Nasdaq Market LLC (“Nasdaq Rules”). The members of the Committee and its Chair shall be appointed by the Board and may be removed by the Board at any time, with or without cause. The Committee may, in its discretion, delegate all or a portion of its responsibilities to a subcommittee of the Committee.

The Committee shall meet at least four times each year. The Chair shall preside at all meetings of the Committee. The Chair or the Company Secretary has the authority to call meetings of the Committee. A majority of the members of the Committee present at a meeting shall constitute a quorum. The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s bylaws that are applicable to the Committee.

The Committee shall make regular reports to the Board. The Committee shall conduct an annual performance evaluation of the Committee and shall review its charter annually and recommend any proposed changes to the Board.

In addition to the duties and responsibilities expressly delegated to the Committee in this Charter, the purpose of this Committee, the Company’s bylaws, and applicable Nasdaq Rules.

## Responsibilities

In carrying out its responsibilities, the Committee:

- Develops and recommends to the Board corporate governance principles addressing the size, independence, diversity, composition, and responsibilities of the Board and its Committees as well as the Board's oversight of management.
- Advises the Board with respect to the charters and membership of the various Committees of the Board.
- Recommends compensation and benefits policies for the non-employee directors. Also recommends tenure, succession and retirement policies for the directors.
- Provides suitable programs for the orientation of new directors and the continuing education of incumbent directors.
- Assures that there is appropriate emergency CEO succession planning and CEO continuity succession planning. Also, assures that CEO succession planning is effectively administered and recommends to the Board CEO succession planning.
- Assures that there is appropriate succession planning for key executives to promote continuity, and recommend to the Board succession planning for key executives. The Committee shall annually review the management succession plan.
- Receives reports regarding any personnel matter presenting potential reputational risk to the Company.
- Establishes criteria for evaluating the performance of the Committee, conducts an annual evaluation and discusses the results of the annual evaluation with the Board
- Oversees the annual performance appraisal of the Board and its Committees
- Reviews and makes recommendations to the Board as to the form and amount of compensation for the Company's directors. Director compensation should provide reasonable compensation for non-employee directors commensurate with their duties and responsibilities as directors, and provide a sufficient level of compensation necessary to attract and retain the highest quality individuals. A portion of compensation should be in the form of the Company's common stock to further align

the interests of non-employee directors with those of the Company's stockholders. Directors who are Company employees shall not be compensated for their service as directors.

- Reviews Committee assignments and Chair positions, and recommends the appointment of Committee members.
- Establishes criteria for selecting new directors which reflect the requirements of the applicable listing standards and which require each candidate to possess independence, integrity, forthrightness, experience in areas of importance to the Company and a commitment to the interests of the Company's shareholders.
- Actively considers and recruits candidates, in consultation with the Chairperson of the Board and CEO, to fill positions on the Board. The Committee shall also reconsider and reassess the contributions of those directors eligible for reelection and shall review the candidates who may be recommended by shareholders of the Company not less than 90 days nor more than 120 days prior to the annual meeting of the shareholders.
- Recommends the director nominees for approval by the Board and the shareholders.
- Determines whether to approve a director's request to join the board of any public company.
- Receives and discusses reports from management regarding significant reported ethics violations or actual or potential conflicts of interest under the Company's Code of Conduct and other corporate governance policies which may involve directors or the CEO, excluding such violations regarding accounting, internal accounting controls or auditing matters which are within the purview of the Audit Committee.
- Review with management any requested waivers to the Company's Code of Conduct for directors or executive officers and document approval or denial of such waiver.
- Discharges any other responsibilities delegated to the Committee by the Board.

Access to Records and Advisors

The Committee shall have full access to any relevant records of the Company and have the power and authority to obtain, at its discretion, advice, and assistance from internal or external financial, legal, accounting or other advisors (including search firms), and to hire and compensate external advisors at the Company's expense. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such firm's fees and other retention items. The Committee may request that any officer or other employee of the Company, or the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee.