Compensation & Governance Committee Charter

I. Purpose

The Board of Directors of River City Bank (the "Company") has delegated to the Compensation & Governance Committee ("Committee") strategic, administrative, and oversight responsibility on a broad range of overall Company compensation, benefits, and corporate governance matters. The Committee serves as the compensation committee and the nominating committee of the Company's Board of Directors (the "Board").

As described in more detail below, the Committee is responsible for:

- Assisting the Board in meeting its oversight responsibilities, promoting the effectiveness of the Board, and encouraging the adoption of best practices in corporate governance.
- Identifying, evaluating, and recommending to the Board nominees for membership on the Board and its committees.
- Overseeing the performance evaluation of the Board and its various Committees, along with the performance of individual members.
- Reviewing and approving all director compensation matters.
- Reviewing and approving all executive officer compensation.
- Ensuring that the Chief Executive Officer ("CEO"), other officers, and key management of the Company are compensated in a manner that will attract, motivate, and retain the best possible management team for the shareholders of the Company.
- Ensuring that compensation paid is consistent with the strategic goals of the Company, based on performance against predetermined goals; internally equitable, competitive, and consistent with all regulatory requirements.
- Evaluating the succession plan for key management of the Company.

For purposes of this charter, the term "Executive Officer" means the CEO, the Chief Financial Officer, and any other "officer" of the Bank as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

II. Composition

A. Members

The Committee will be comprised of at least three directors.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and shall serve until their successors are elected or their earlier resignation. The Board may remove members from the Committee at any time without cause.

The Board may appoint additional or replacement members of the Committee at any time.

Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board, the Corporate Secretary, or the full Board (unless the notice specifies a later time for the effectiveness of such resignation).

B. Independence

Each member of the Committee shall (1) be an "independent director" as defined under the listing standards of the Nasdaq Stock Market ("Nasdaq"), (2) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member, (3) be a "non-employee director" as defined in Rule 16b-3 of the Exchange Act; (4) satisfy the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code, as amended; and (5) meet any other requirements imposed by applicable laws, rules, regulations or Nasdaq listing standards, subject to any applicable exemptions and transition provisions.

C. The Chair

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee. In the absence of the Chair, the Committee may designate an acting Chair by majority vote.

III. Meetings

A. The Committee will meet at least annually or more frequently upon call by the Chair.

B. Meeting agendas may be prepared in advance of each meeting by the Human Resources Director and/or the CEO, subject to the approval and revisions by the Chair. The Committee will keep minutes of its meetings and make them available to the Board.

C. The Committee may invite the participation of, consistent with maintaining confidentiality of its discussions, any other person the Committee or the Chair deems necessary or desirable to assist the Committee in its deliberations.

D. The Committee may meet privately in executive session to discuss any matters that the Committee deems appropriate. The CEO shall not be present during voting or deliberations regarding the CEO's compensation.

E. A quorum of the Committee for the transaction of business will consist of a majority of its members. If a quorum is present, any action approved by at least a majority of the members present will represent the valid action of the Committee. Meetings may be held in person, by telephone, or by video conference. The Committee may also act by unanimous written consent in lieu of a meeting, including through electronic communications as permitted under the Company's Bylaws.

F. The Committee will regularly report to the Board on significant matters related to the Committee's responsibilities and activities, and as requested by the Board.

IV. Committee Responsibilities and Duties

A. Human Resources & Compensation

In addition to the aforementioned and in connection with the Committee's obligations to discharge the Board's oversight responsibilities concerning the Company's compensation programs, the Committee shall:

1. Review and approve the compensation strategy for the Company on an annual basis, including components such as base salary, bonus (short-term incentive), equity, deferred compensation, a supplemental executive retirement plan (long-term incentive), and benefits. The primary goal of the compensation strategy is to ensure that the Company has the compensation programs in place to attract, retain, and motivate the best possible workforce.

2. At the executive level, the compensation strategy should ensure that the CEO and the members of executive management are rewarded appropriately for their contributions to shareholder value creation, including Company growth, profitability, and risk management. The executive compensation strategy must support the Company's overall business strategy and be aligned with the best interests of shareholders.

3. Annually review, determine, and approve the individual elements of total compensation for the CEO and each other Executive Officer, including corporate goals and objectives relevant to the compensation; evaluate the performance of the Executive Officers in light of those goals and objectives; and set the Executive Officers' compensation levels based upon their evaluation. In evaluating the performance and determining the compensation of Executive Officers other than the CEO, the Committee shall consider the CEO's recommendations.

4. Review and approve any employment agreements, change in control agreements, severance agreements, and other compensatory arrangements proposed to be made with any Executive Officer or director.

5. To the extent required by the rules under the Exchange Act, prepare and communicate in the annual Board Compensation Committee Report to shareholders the factors and criteria on which executive compensation for the prior year was based, including the relationship of the Company's performance to executive compensation.

6. Ensure that the annual executive incentive compensation plan is administered in a manner consistent with the Company's compensation strategy. The Committee will ensure that the Company's compensation policies and practices do not (i) encourage Executive Officers to take unnecessary and excessive risks that threaten the value of the Bank or (ii) the manipulation of reported earnings to enhance the compensation of any of the Company's employees. The Committee will approve the following plan elements:

    - Plan Structure
    - Executive officer objectives and criteria for determining the amount of the award
    - Actual awards paid to the CEO and members of Executive Management

7. Review and approve (for submission to shareholders, if necessary) all new equity-related incentive plans, and administer the Company's equity-related plans in a manner consistent with the terms of the plans as to the following:

   - Participation, including approval of all awards
   - Vesting Requirements
   - Total shares reserved for awards

8. Review and approve the compensation of the nonemployee directors for service on the Board.

9. Periodically review and consider changes to the Company's policy regarding the clawback of executive incentive compensation, in addition to any responsibilities assigned to the Committee under such policy.

10. As may then be made applicable to the Company by the regulations of the U.S. Securities and Exchange Commission (the "SEC"), annually review and discuss with management the Compensation Discussion and Analysis ("CD&A") and make an appropriate recommendation to the Board concerning inclusion of the CD&A in the annual proxy statement or its Annual Report on Form 10-K (as the case may be).

11. Produce an annual report on executive compensation for inclusion in the Company's annual proxy statement, if applicable to the Company, that complies with the rules and regulations of the SEC.

12. Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, if applicable to the Company, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

B. Corporate Governance

In addition to the aforementioned and in connection with the Committee's obligations to discharge the oversight of the Board's corporate governance responsibilities, the Committee shall:

1. Annually review and reassess the Company's Corporate Governance Guidelines and any other policies related to corporate governance.

2. Review, advise, and report to the Board regarding the structure, organization, performance, and effectiveness of the Board and its committees, including this Committee.

3. Approve corporate title appointments of Executive Vice President and above.

4. Establish and periodically review the Company's succession plans for the Board and senior management positions, including reviewing, from time to time, contingency plans for a successor to assume the position of CEO in the event there is an unexpected cessation of the CEO's employment or availability.

5. Develop and recommend to the Board, for its approval and adoption, a Code of Conduct specifically for the CEO, Chief Financial Officer, and other senior financial officers, and more generally, the Company's employees and, with certain exceptions, its directors. Review and assess the adequacy of the Code of Conduct, at a minimum, to ensure compliance with applicable laws, rules, regulations, and Nasdaq listing standards, and recommend any proposed changes to the Board for approval.

6. Review the terms and conditions of the Company's indemnification arrangements periodically and make recommendations to the Board with respect to any changes.

7. Evaluate whether any position held or proposed to be held by any new or existing director would create a conflict of interest, or the appearance of such a conflict, with such director's membership on the Board or any committee thereof and recommend to the Board any actions deemed advisable by the Committee to eliminate or protect the Company against the consequences of any such conflict of interest (actual or apparent).

8. Oversee and facilitate the regular education of directors with respect to matters affecting the Company's business and the corporate governance responsibilities of directors to ensure that they are prepared to meet their obligations as directors of the Company.

9. Periodically review, with advice from the Company's legal counsel, and recommend changes to the Company's Articles of Incorporation and Bylaws (each as amended from time to time) as such changes relate to corporate governance matters.

C. Nominating Duties

In its role as the Board's nominating committee, the Committee shall:

1. Develop criteria for Board composition and membership for adoption by the Board and review such criteria at least annually. In establishing these criteria, the Committee shall address:

   - the size of the Board of Directors;
   - the appropriate skills and characteristics required of members of the Board of Directors, both individually and for the Board of Directors as a whole; and
   - the weight to be given in the nomination process to matters of diversity, business and commercial banking experience, financial experience, judgment, academic expertise, integrity/character, and other attributes.

In all cases, the purpose of developing such criteria is to enhance the Board's effectiveness.

2. Assist the Board by identifying, attracting, and recommending qualified director candidates for membership on the Board consistent with the policies and criteria established by the Board. Such candidates may include, if the Committee deems it advisable, candidates recommended by the CEO, other members of the Board, and shareholders (where such shareholder recommendations have been offered in accordance with procedures established by the Committee and relevant law). The Committee shall evaluate any potential director candidates recommended by shareholders using the same criteria applicable to evaluating the Board's own potential candidates.

3. Establish procedures for the recommendation and consideration of all candidates for the Board.

4. Consider unsolicited nominations for Board membership in accordance with the Company's bylaws and SEC rules, as applicable, and guidelines developed by the Committee.

5. Recommend to the Board the slate of nominees for election to the Board at the annual meeting of shareholders. Evaluate the incumbent directors whose terms expire at the next annual meeting, determine whether those individuals satisfy the criteria for continued membership on the Board, and decide whether to recommend such incumbent directors to serve for an additional term on the Board.

6. In the event that a director is deemed unfit to serve, ask such director to voluntarily resign or recommend, for action by the shareholders, removal from the Board.

7. Annually assess the performance of the full Board and its committees and report to the Board regarding the same.

V. General Authority

In addition to the foregoing, the Committee may, and is authorized to:

A. Perform such other activities as may be assigned by the Board from time to time.

B. Perform other activities that the Committee deems necessary or appropriate and which are consistent with this Charter, the Company's Articles of Incorporation, Bylaws, and corporate governance policies, and applicable laws, rules, regulations, and Nasdaq listing standards.

C. Conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to the Company's legal counsel and independent auditors, as well as to employees and consultants.

D. Rely upon advice and information that it receives in its discussions and communications with management and any such advisors as may be consulted by the Committee.

E. Request any officer or employee of the Company, the Company's outside legal counsel, or any other advisor retained by the Company to render advice to the Committee, to attend meetings of the Committee, or to meet with any members or other advisors to the Committee.

F. Conduct, direct, and supervise any investigation into any matters within the scope of the Committee's responsibilities and, in connection therewith, have access to Company personnel and documents relevant to any such investigation.

G. Incur such expenses as are necessary or appropriate in carrying out its duties.

H. Form subcommittees for any purpose that the Committee deems appropriate and may delegate to any such subcommittee such power and authority as the Committee deems appropriate.

I. With respect to any authority or responsibilities granted to the Committee by this Charter, in lieu of making a final determination with respect thereto, make a recommendation to the full Board for its final approval thereof.

VI. Legal Counsel, Consultants, and Advisors

A. The Committee has the ability, in its sole discretion, to retain, at the Company's expense, and terminate search firms relating to executive and/or director candidates, legal counsel, and accounting or other consultants or experts it deems necessary and appropriate in the performance of its duties, and to approve applicable fees and other retention terms. All costs for such services shall be borne by the Company.

B. Prior to retaining any compensation consultant, legal counsel, or other advisor, the Committee shall evaluate such consultant's or advisor's independence, taking into consideration the following factors, along with any other factors the Committee deems relevant:

1. The provision of other services to the Company by the person that employs the compensation consultant, legal counsel, or other adviser;

2. The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel, or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel, or other adviser;

3. The policies and procedures of the person who employs the compensation consultant, legal counsel, or other adviser that are designed to prevent conflicts of interest;

4. Any business or personal relationship of the compensation consultant, legal counsel, or other adviser with a member of the compensation committee;

5. Any stock of the Company owned by the compensation consultant, legal counsel, or other adviser; and

6. Any business or personal relationship with the compensation consultant, legal counsel, other adviser, or the person employing the adviser with an executive officer of the Company.