



COASTAL
FINANCIAL CORPORATION

GOVERNANCE & NOMINATING COMMITTEE CHARTER

June 2018

Table of Contents

PURPOSE	3
MEMBERSHIP	3
COMMITTEE CHAIR.....	3
AUTHORITY AND RESPONSIBILITIES	3
SUBCOMMITTEES.....	4
ADVISORS.....	4
CHARTER REVIEW.....	5
REPORTING.....	5

Purpose:

The purpose of the Committee (on behalf of the Board of Directors) is to assist the Board in discharging its duties related to corporate governance and nominating functions.

Nominating functions are focused on identify individuals qualified to become Board members and recommending to the Board candidates for election at the annual meeting of stockholders.

Governance functions are focused on developing and recommending to the Board a set of corporate governance principles and performing a leadership role in shaping the corporate governance for the organization.

Membership:

The Committee shall be comprised of not less than three directors, each of whom shall be “independent” under applicable Securities and Exchange Commission regulations and NASDAQ listing standards, free from any relationship that would interfere with the exercise of his or her independent judgment. The Committee meets as often as may be deemed necessary or appropriate in its judgment. Committee members are appointed by the Board on the recommendation of the Governance and Nominating Committee and may be replaced by the Board.

A majority of members shall constitute a quorum to transact business. Any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting via email, or electronic ballot. An electronic (email) vote can be initiated by an email from one of the members of the Committee. The results of such action without meeting shall be filed with the minutes of proceedings of the Committee.

Committee Chair:

The Board will appoint one of the members of the Committee to serve as Committee Chair on the recommendation of the Governance and Nominating Committee. The Committee may appoint a Vice Chair to carry out the duties of the Chair in his or her absence. The Committee may also appoint a Secretary, who need not be a director.

Authority and Responsibilities:

To fulfill its responsibilities and duties, the Committee shall:

Nominating Functions:

1. Develop policies on the size and composition of the Board;
2. Develop and recommend to the Board criteria for identifying and evaluating director candidates considering independence and qualifications of each candidate while seeking an appropriately diversified Board;

3. Identify, investigate, assess, and review the qualifications of, and recruit candidates for election to the Board;
4. Establish training and orientation programs for all new Board members;
5. Assess the contributions and independence of incumbent directors in determining whether to recommend them for reelection to the Board;
6. Establish a procedure/program or succession plan for the consideration of Board candidates to be recommended to the Company's shareholders; and
7. Recommend to the Board the candidates for election or reelection to the Board at each annual shareholder meeting.

Governance Functions:

1. Recommend to the Board candidates to be elected by the Board as necessary to fill vacancies and newly created directorships;
2. Develop and recommend to the Board a set of corporate governance principles, and annually review and recommend changes as appropriate to these principles;
3. Review at least annually the Code of Conduct section in the Employee Handbook;
4. Make recommendations to the Board concerning the structure, composition and functioning of the Board and its committees;
5. Recommend to the Board candidates for appointment to Board committees and consider periodically rotating directors among the committees;
6. Review and recommend to the Board retirement and other tenure policies for Directors;
7. Review directorships in other companies held by or offered to directors and senior officers of the Company for conflicts of interest; and
8. Review on an annual basis the Board's performance as a whole and each committees' performance as a whole.

Subcommittees:

The Committee may, in its discretion, form and delegate all or a portion of its authority to subcommittees which shall consist of not less than two members.

Advisors:

In performing its responsibilities, the Committee is authorized to obtain advice and assistance from internal or external legal, accounting or other advisors at the Company's expense without prior permission of the Board of Directors or management.

Charter Review:

Review and reassess the adequacy of this charter annually and recommend to the Board any proposed changes to this charter.

Reporting:

The Committee shall make reports to the Board of Directors at the next regularly scheduled meeting summarizing the matters reviewed and actions taken at each Committee meeting.

Previous Review/Revision Dates

Original Approval – June 15, 2018 by Board of Directors, CFC