

## **VSB Bancorp, Inc.**

### **Nominating Committee Charter**

#### **Purpose:**

The Board of Directors has established a Nominating Committee whose purpose is to seek and recommend to the Board qualified candidates for election or appointment to the Company's Board of Directors.

#### **Membership:**

The Nominating Committee will consist of a minimum of three independent members of the Board of Directors, all of whom shall be independent directors. The members of the Nominating Committee will be appointed by and serve at the discretion of the Board of Directors.

#### **Nomination/Appointment Policy:**

The Board of Directors believes it is in the best interest of the Company and its stockholders to obtain highly-qualified candidates to serve as members of the Board of Directors. The Nominating Committee should seek candidates for election and appointment as directors with excellent decision-making ability, business experience, financial background, personal integrity and reputation.

The Board of Directors believes that diversity of business experience and diversity of business involvement are important components of the qualities that make up a well-functioning Board of Directors. A well-organized Board should consist of members coming from different industries and occupations, both to increase the likelihood that any matter that comes before the Board will receive a complete analysis of all relevant issues and to increase the company's outreach into different business sectors within the local community. Therefore, it is in the best interests of the Company to consider diversity of business background as a significant component in assessing whether a potential candidate for director would have a positive effect on both Board deliberations and the marketing of the Company. Whenever there is a vacancy on the Board of Directors, the Nominating Committee should evaluate the business background of existing directors and give preference to candidates who would expand the breadth of the Board.

#### **Responsibilities:**

The responsibilities of the Nominating Committee shall include:

1. Screening and recommending to the Board qualified candidates for election or appointment to the Company's Board of Directors.
2. Reviewing with the Chairman issues involving potential conflicts of interest and the independence of candidates and Directors under applicable provisions of law.

3. Recommending the number of members that shall serve on the Board of Directors.

### **Policy Regarding Consideration of Stockholder candidates for Nomination**

The Nominating Committee shall consider, for inclusion in the Board of Directors' slate of nominees for director, candidates suggested by stockholders. In order to suggest a candidate, a stockholder must send a notice to the Nominating Committee at the Company's principal office not less than one hundred and twenty (120) days nor more than one hundred and fifty (150) days prior to the first anniversary of the date the proxy statement for the previous year's annual meeting was released to stockholders; provided, however, that if the date of the annual meeting is changed by more than thirty (30) days from the date in the prior year, then the deadline for receipt is a reasonable time before the Corporation begins to prepare and mail its proxy materials. The notice must be signed by the stockholder and must provide the following information:

- A detailed resume of the proposed nominee showing his or her academic and business achievements and history; his or her experience and qualifications to be a director; and any other information that the stockholder or the proposed nominee considers relevant in evaluating the person's qualifications to be a director;
- All information regarding the proposed nominee that would be required to be disclosed to the Board of Governors of the Federal Reserve System in the Company's Annual Report on form FR Y-6;
- All other information relating to the proposed nominee that would be required to be disclosed in a proxy statement; and
- The name and address of the stockholder submitting the notice; the class and number of shares beneficially owned by the stockholder; when such shares were acquired by the stockholder; whether the stockholder owns any put options, has sold any call options, or otherwise owns any other derivative securities with respect to any shares of stock of the Corporation or has any existing contracts that now or may in the future affect the Stockholder's ownership or voting rights in the shares; and a description of any business, family or employment relationship between the stockholder and the candidate.

### **Meetings and Reports:**

Meetings of the Nominating Committee will be held at the pleasure of the Chairman and the members of the Nominating Committee in response to the needs of the Board of Directors and the governance of the Company.

Notwithstanding the foregoing, the Nominating Committee will meet at least once annually to evaluate and make recommendations of qualified candidates for election to the Board of Directors at the Annual Meeting of Stockholders. The

Nominating Committee shall provide the Board of Directors with a report of the Committee's activities and proceedings, as appropriate.