



**CAMBRIDGE BANCORP**  
**CORPORATE GOVERNANCE COMMITTEE**  
**CHARTER**

(Approved July 17, 2017)

The Board of Directors (the “Board”) of Cambridge Bancorp (the “Company”) has established a Corporate Governance Committee (the “Committee”) and approved this Charter to outline its role and duties.

**I. Statement of Purpose**

The purpose of the Committee is to provide recommendations for action by the Board of Directors of the Company related to the appropriate size, composition, function, needs and effectiveness of the Board and its committees. The Committee also develops and implements corporate governance principles and practices for the Company and oversees implementation of the Company’s Code of Ethics, including reviewing Company transactions involving related parties and other potential conflicts of interest.

**II. Structure and Membership**

1. Number. The Corporate Governance Committee shall consist of no fewer than four Directors (the “Members”). Although it is anticipated that the CEO will regularly attend Committee meetings as an invitee, the CEO will not be a member of the Committee in order to ensure its independence.
2. Independence. Except as otherwise permitted by the applicable NASDAQ rules, each Member shall be independent as defined by NASDAQ rules and meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 (the “Exchange Act”) (subject to the exemptions provided in Rule 10A-3(c)). Specifically, the NASDAQ rules state that a director does not qualify as “independent” if:
  - (a) such director is, or during the past three years was, an employee of the Company or any parent or subsidiary of the Company or an immediate family member of an individual who is, or in the past three years has been, employed by the Company or any parent or subsidiary of the Company as an executive officer. Prior service

as an interim Chairman or Chief Executive Officer will not disqualify an otherwise independent director;

- (b) such director accepts or has an immediate family member who accepts any payments from the Company or any parent subsidiary of the Company in excess of \$120,000 during the current or any of the past three fiscal years. This disqualification does not apply to (i) compensation for board service, (ii) payments arising solely from investments in the Company's securities if available to all security holders, (iii) compensation to an immediate family member who is a non-executive employee of the Company or of a parent or subsidiary of the Company, (iv) compensation for prior service as an interim Chairman or Chief Executive Officer, (v) benefits under a tax-qualified retirement plan, (vi) non-discretionary compensation, or (vii) personal loans to executives permitted by the Securities Exchange Act of 1934, as amended;
  - (c) such director is, or has an immediate family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments (other than payments arising solely from investments in the Company's securities and available to all security holders or payments under non-discretionary charitable contribution matching programs) that exceed the greater of 5% of the recipient's gross revenues for that year or \$200,000, in any of the most recent three fiscal years;
  - (d) such director is, or has an immediate family member who is, employed as an executive officer of another Company at any time during the most recent three fiscal years at which any of the listed Company's officers serve on such other Company's compensation committee; or
  - (e) such director is, or has an immediate family member who is, a current partner of the Company's outside auditor, or such director or immediate family members was a partner or employee of the Company's outside auditor who worked on the Company's audit engagement at any time during the past three fiscal years.
3. Chair. The Board shall designate one Member to serve as Chairperson.
  4. Compensation. The compensation of Members shall be as determined by the Board or a committee thereof charged with such duty. No Member may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than fees paid in his or her capacity as a member of the Board or a committee of the Board.
  5. Selection and Removal. Each member shall be appointed by the Board and shall serve until his or her successor is duly elected.

### **III. Authority and Responsibilities**

The Corporate Governance Committee's duties and responsibilities include:

1. Membership and Operation of Board of Directors and Committees:

- (a) establishing the criteria for Board membership, which should cover, among other things, diversity, experience, skill set, independence, and the ability to act on behalf of shareholders; provided that no former employee of the Company may be elected as a Director of the Holding Company or any subsidiary;
- (b) considering, recruiting and recommending to the Board candidates, taking into account the listing standards of NASDAQ, applicable laws, rules and regulations, the Board's process and the Company's bylaws with respect to director nominations to recommend nominees and fill vacancies on the Board, including:
  - selecting Director nominees to be presented for approval by shareholders at the annual meeting, including nomination of incumbent Directors for reelection and consideration of any Director nominations submitted by shareholders;
  - evaluating the qualifications of potential new Directors and in doing so, consider the following set of criteria:
    - Directors should, as a result of their occupation, background, and/or experience, possess a mature business judgment that enables them to make a positive contribution to the Board, and possess and demonstrate through their actions, exemplary ethics, integrity and values.
    - each candidate's leadership experience, business experience and acumen, familiarity with relevant industry issues, and such other relevant skills and experience as may contribute to the Board's effectiveness and the Company's success.
    - the Board's diversity with respect to personal attributes and characteristics, including with respect to race, ethnicity, gender, age, cultural backgrounds, professional experience, skills, and other qualifications.
    - familiarity with the communities that the Company and its subsidiaries serve, although such familiarity is not a controlling factor.
    - willingness to devote sufficient time to carry out duties and responsibilities effectively and demonstrate a commitment to serve on the Board for an extended period of time.
  - conducting the appropriate and necessary inquiries into the backgrounds and qualifications of candidates;
- (c) overseeing Board education, including the orientation of recently elected Directors and on-going training of all Directors;
- (d) reviewing and recommending to the Board the responsibilities of the various committees of the Board;

- (e) recommending to the Board the membership of the Board committees;
- (f) recommending to the Board, in conjunction with the Compensation Committee, the compensation of members of the Board and its committees and their chairs;
- (g) keeping the Board informed about best practices in corporate governance and making recommendations to the Board on matters of corporate governance;
- (h) advising the Board and management, in conjunction with the Lead Director, on the content of Board meetings;
- (i) overseeing self-evaluations by, and external evaluations of, Board and committee performance, as approved by the Board;
- (j) ensuring that all committees of the Board report regularly to the full Board;
- (k) ensuring that an executive session is convened at each Board meeting by the Lead Director, or in the Lead Director's absence by the Chair of the Corporate Governance Committee.

2. Succession Matters:

- (a) reviewing management's plan for management succession; and
- (b) recommending to the Board plans for CEO and Lead Director succession.

3. Code of Ethics and Related Party Transactions:

- (a) overseeing the implementation and administration of the Company's Code of Ethics, which shall include, but is not limited to, reviewing, with the authority to approve, all related-party transactions involving the Company and other situations involving potential conflicts of interest in accordance with the policy on such matters set forth in the Company's Code of Ethics.

4. Authority:

- (a) the Committee may engage director search firms or other advisors who provide data and advice to the Committee and shall have the sole authority to approve the fees and other terms of engagement of any such persons.

**IV. Procedures and Administration**

1. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities, but in any event, no less than twice per year. The presence (either in person or via a telecommunications device) of a majority of all members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the

members present shall be sufficient to take any action. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep minutes of all meetings. The Committee may invite members of management, or others to attend meetings and provide pertinent information as necessary. The Committee will periodically meet separately in executive session with and without management, however executive sessions may be held without the CEO's presence to allow for open discussion. Meeting agendas may be prepared and provided in advance to members, along with appropriate briefing materials.

2. Subcommittees. The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances. In creating any subcommittee, the Committee shall select the members of the subcommittee, define its powers and authorities and provide for the subcommittee to report to the full Committee on its activities. Any decision of a subcommittee shall be presented to the full Committee at its next scheduled meeting.
3. Reports to the Board. The Committee shall report regularly to the Board the results of Committee activities and issues that arise with respect to its responsibilities.
4. Charter & Assessment. The Committee shall instruct management to publicly disclose the charter and any amendments to the charter on the Company's website and/or as otherwise required by the Securities and Exchange Commission ("SEC"), the regulations of the primary market on which the Company's common stock is traded, and rules or regulations of any other regulatory body having authority over the Company or its securities. At least annually, the Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. Additionally, the Committee will periodically assess the performance of the Committee and report to the Board.
5. Independent Advisors. The Committee is authorized, without further action by the Board, to engage such independent advisors as it deems necessary or appropriate to carry out its responsibilities. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee.
6. Funding. The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.