

# MCGRATH RENTCORP

## Corporate Governance and Nominating Committee Charter

(Amended and Restated on February 23, 2016)

### I. AUTHORITY AND PURPOSE

The Corporate Governance and Nominating Committee (the “Committee”) of McGrath Rentcorp (the “Company”) is appointed by the Company’s Board of Directors (the “Board”). The Committee shall assist the Board in all matters relating to (a) the establishment, implementation and monitoring of policies and processes regarding the recruitment and nomination of candidates to the Board and committees of the Board; (b) the review and making of recommendations to the Board regarding the composition and structure of the Board and committees of the Board; (c) the development, evaluation and monitoring of the Company’s corporate governance processes and principles; (d) the development, implementation and monitoring compliance of the Company’s Code of Business Conduct and Ethics (the “Code”) and making recommendations to the Board regarding revisions to the Code from time to time as appropriate; and (e) the administration of the Board’s annual self-evaluation process and the sharing of the results thereof with the Board for discussion and deliberation. The Committee’s policies and procedures should remain flexible in order to best react to changing conditions and to ensure to the Board and the Company’s shareholders that the composition, practices and operation of the Board and the corporate governance practices of the Company are in accordance with all requirements and are of the highest integrity.

### II. COMMITTEE STRUCTURE & MEMBERSHIP

1. At Least Three Members. The Committee shall be comprised of three or more “independent” directors (as defined in Section II(2) below) as determined by the Board. The Committee members shall be appointed by the Board and shall serve at the discretion of the Board. The Board shall designate a Committee member as the Chairperson of the Committee, or if the Board does not do so, the Committee members shall appoint a Committee member as Chairperson by a majority vote of the authorized members of the Committee.
2. Independence. Each member of the Committee shall be “independent” as defined in the listing standards of the Nasdaq Stock Market or such other national securities exchange on which the Company’s securities are then listed, as the same may be amended from time to time (the “listing standards”), the rules and regulations (“SEC regulations”) of the Securities and Exchange Commission (the “SEC”) and any other laws applicable to the Company. No Committee member shall be an affiliated person of the Company or receive any compensation other than in his or her capacity as a member of the Committee, the Board of Directors or other Board committee, or as otherwise permitted by the listing standards and the SEC regulations. Each Committee member must also be a director who is free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director.
3. Appointment. The Board shall appoint, on a yearly basis, the Committee members at the first meeting of the Board following the Annual Meeting of Shareholders. Members of the Committee shall continue to be Committee members until their successors are appointed and qualified or until their earlier retirement, resignation or removal. Any member may be removed from the Committee, with or without cause, by the approval of a majority of the directors then serving on the Board. The Board may fill any vacancies on the Committee by a majority vote of the directors then in office.

4. Subcommittee. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate; provided the subcommittees, if any, are composed entirely of independent directors, as defined in Section II(2) above.

### **III. MEETINGS**

1. Meetings. The Committee shall meet as often as it determines necessary or advisable, but not less frequently than two times per year and in executive session at least once a year. The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. As permitted in the Company's Bylaws (the "Bylaws"), the meetings may be in person or telephone. The Committee shall keep written minutes of its meetings and shall deliver a copy of such minutes to the Board and to the Corporate Secretary of the Company for inclusion in the Company's minute books. The Committee may request any officer or employee of the Company or the Company's independent counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including but not limited to, any director who is not a member of the Committee.
2. Procedures. The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this Charter, the Bylaws, the listing standards, SEC regulations or other applicable laws or regulations. The Chairperson or majority of the Committee members may call meetings and set agendas of the Committee. A majority of the Committee members shall constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at the meeting at which a quorum is present shall be the act of the Committee, unless in either case a greater number is required by this Charter, the Company's articles of incorporation, the Bylaws, the listing standards, SEC regulations or other applicable laws or regulations.
3. Reports. The Committee shall keep minutes and report its actions and recommendations to the Board after each Committee meeting. The Committee may also make such other reports to the Board as necessary, which reports shall include any recommendations the Committee deems appropriate.
4. Committee Resources. The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain a search firm to be used to identify director candidates. The Committee shall have sole authority to retain and terminate any such search firm, including sole authority to approve the firm's fees and other retention terms. The Committee shall also have authority, to the extent it deems necessary or appropriate, to retain other independent advisors, including outside legal counsel. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any search firm or other advisors employed by the Committee.
5. Performance Evaluation. The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall perform an annual evaluation of its own performance, which shall compare the performance of the Committee with the requirements of this Charter. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

#### **IV. DUTIES AND RESPONSIBILITIES**

The duties of the Committee shall include, without limitation, the following:

##### **Board of Directors and Committees**

1. Establish, review and evaluate the standards, criteria and processes for selection of individuals to serve on the Board, consistent with the Corporate Governance Guidelines of the Company.
2. Identify, screen and review individuals qualified to serve as directors, including nominees proposed by shareholders, consistent with the Corporate Governance Guidelines of the Company and make recommendations to the Board regarding (i) nominees to fill vacancies in the membership of the Board as such vacancies occur, and (ii) prior to each Annual Meeting of Shareholders, a slate of nominees for election to serve on the Board at such meeting.
3. Monitor the size and composition of the Board and committees of the Board.
4. Attempt to determine the reason for resignation or refusal to stand for re-election of any director.
5. Solicit periodic input from the Board and conduct a review of the effectiveness of the structure and operations of the Board.
6. Make recommendations to the Board concerning the appointment and removal of directors to committees of the Board and suggest rotations for chairpersons of committees as the Committee deems desirable from time to time.
7. Make recommendations to the Board regarding committee structure and operations.
8. Evaluate and recommend any revisions to Board and committee meeting policies and logistics.
9. Oversee the development of orientation materials for new directors and corporate governance-related continuing education for all Board members.

##### **Compliance and Ethics**

10. Oversee the implementation and compliance with and monitor the effectiveness of the Corporate Governance Guidelines of the Company, and develop and recommend to the Board modifications and or additions to the Company's Corporate Governance Guidelines;
11. Implement, evaluate and monitor compliance of the Code, promptly inform the Board of any non-compliance and make recommendations to the Board regarding any revisions to the Code from time to time as appropriate.
12. Review, at least annually, the Company's compliance with the corporate governance requirements in the listing standards, SEC regulation or other applicable laws or regulations and report to the Board regarding the same.

13. Review and discuss with management the disclosure regarding the operations of the Committee and director independence that is included in the Company's proxy statement or annual report on Form 10-K, as applicable.
14. Advise the Board periodically with respect to significant developments in the law and practice of corporate governance, with advice from legal counsel as appropriate, and make recommendations to the Board on all matters of corporate governance and on any corrective action to be taken, as the Committee may deem appropriate.

#### **Shareholder Communication and Proposals**

15. Establish, implement and monitor the processes for effective communication between the Company's shareholders and members of the Board.
16. Establish, implement and monitor the processes for consideration of shareholder proposals properly submitted in accordance with the provisions of the Bylaws.
17. Review all shareholders proposals properly submitted to the Company in accordance with the provisions of the Bylaws and the Company's Corporate Governance Guidelines (including any proposal relating to the nomination of a member of the Board) and recommend to the Board appropriate action on each such proposal with input from an independent advisor and/or legal counsel, as appropriate.

#### **Other**

18. Coordinate the search for individuals qualified to succeed the Chief Executive Officer of the Company and make recommendations to the Board.
19. Direct management to ensure the Company's web site, Bylaws and Articles of Incorporation are in compliance with the listing standards, SEC regulations and the laws and regulations applicable to the Company.
20. Review and reassess, periodically, the adequacy of this Charter and make recommendations to the Board regarding any revisions to this Charter from time to time as appropriate.
21. Administer the annual self-evaluation by the Board, share the evaluation results with the Board and lead Board discussions and analysis thereof.

#### **V. DISCLOSURE OF CHARTER**

This Charter will be made available on the Company's Web site at [www.mgrc.com](http://www.mgrc.com).