

Pacific Mercantile Bancorp Shareholder Engagement Policy

May 16, 2018

This policy identifies how Pacific Mercantile Bancorp (the “Company”) and the Board engage with our shareholders. It also explains how shareholders can communicate with the Board and management.

The Company’s Board of Directors (the Board) understands that to make informed decisions about the Company and to communicate their views to the Company, shareholders need to understand the Company’s business operations and performance. The Board believes engaging with our shareholders increases transparency and encourages them to take an active interest in how the Company is run.

Shareholders may wish to communicate with the Board on:

- Board structure, composition, and performance
- general Board oversight, including committee charters
- material strategic decisions
- corporate governance practices
- disclosure of financial and non-financial information
- executive compensation
- oversight of risk, including environmental and social risks
- succession planning

This policy is consistent with our Code of Business and Ethical Conduct, which covers disclosure of material non-public information and reflects our commitment to high standards of business conduct and ethics.

Engaging with shareholders

The Board and management communicate with shareholders in a number of ways:

- The Board and management discuss important business developments and answer shareholder questions at annual shareholder meetings. The Company’s external auditor is also present and can answer questions about the most recent audit of the Company’s financial statements.
- Management issues press releases for quarterly earnings announcements and major corporate developments as soon as practical after information is known.
- The Company communicates with shareholders through our Annual Report, Proxy Circular, news releases, website, participation in industry conferences, and other meetings.

The Board considers and adopts best new practices for engaging shareholders when they apply to the Company’s circumstances.

Contacting the Board

Writing to our Chairman or Lead Independent Director

We encourage shareholders to contact our Chairman or lead independent director, including the chairs of Board committees, in writing or by email. Please contact:

Office of the Chairman of the Board of Directors

Pacific Mercantile Bancorp
949 South Coast Drive, 3rd Floor
Costa Mesa, CA 92626
Email: chairman@pmbank.com

Notes:

- When mailing to a specific director, mark the envelope “Confidential”.
- While we accept anonymous communication, we cannot acknowledge or reply to it. We encourage shareholders to identify themselves.
- The Corporate Secretary may read communication to our Chairman and other directors, as their agent for receiving and reviewing communication and meeting requests.
- Directors report on their discussions with shareholders to the Board or the appropriate Board committee.

Requesting a face-to-face meeting with a Company director

Shareholders may request meetings with the Chairman or lead independent director. Please send requests for meetings to the Chairman (at the address above) and:

1. include whether you are a Company shareholder or shareholder representative, and the number and type of shares you hold
2. identify any other person who wishes to attend the meeting
3. describe the topic(s) you wish to discuss

Notes:

- The Chairman will consider the request by consulting the Corporate Secretary.
- If approved, the Chairman and Corporate Secretary will decide which directors and members of management (if needed for support) will attend the meeting.
- Meetings will focus on pre-determined topics. Our meetings must comply with applicable laws and the Company policies.
- The Chairman or the Corporate Secretary will confirm meeting details with the requester.

Asking questions at annual shareholder meetings

The Board encourages questions from shareholders at our annual shareholder meeting. There are a number of ways to ask them:

1. in person at the shareholder meeting
2. in writing, when registering with Computershare in person at the shareholder meeting
3. prior to the meeting, by email to the Corporate Secretary at curt.christianssen@pmbank.com
4. prior to the meeting, by mail to the Corporate Secretary at the address below

Corporate Secretary’s Office

Pacific Mercantile Bancorp
949 South Coast Drive, 3rd Floor
Costa Mesa, CA 92626

Contacting the Company management

For questions or comments about general business operations, financial results, strategic direction, or other similar matters, contact the Company management through the office of the Chief Executive Officer (CEO) or the Investor Relations Department. The CEO is the Company's official spokesperson and, as a director and executive, is the best person to communicate the views of both the Board and the Company management. On occasion, the CEO will ask other senior members of management to communicate with shareholders.

For the Company management, including the CEO or Investor Relations:

Office of the Chief Executive Officer

Pacific Mercantile Bancorp
949 South Coast Drive, 3rd Floor
Costa Mesa, CA 92626
Email: tom.vertin@pmbank.com

Head, Corporate Communications, and Investor Relations

Pacific Mercantile Bancorp
949 South Coast Drive, 3rd Floor
Costa Mesa, CA 92626
Email: curt.christianssen@pmbank.com

For questions or concerns about business conduct, accounting, internal controls over financial reporting, or auditing matters for the Company's Audit Committee:

Office for Internal Audit

Pacific Mercantile Bancorp
949 South Coast Drive, 3rd Floor
Costa Mesa, CA 92626
Email: andrew.murdaah@pmbank.com

For questions or comments on ethical conduct at the Company:

Chief Compliance Officer

Pacific Mercantile Bancorp
949 South Coast Drive, 3rd Floor
Costa Mesa, CA 92626
Email: maxwell.sinclair@pmbank.com

Staying informed

Register to receive email alerts about the Company in your mailbox at:

<http://investors.pmbank.com/EmailNotification>