

Executive Compensation and Management Resources Committee Charter

Purpose and Organization

The purpose of the Executive Compensation and Management Resources Committee is to discharge the responsibilities of the Board of Directors relating to compensation of executives of Coastal Banking Company (CBCO) and its subsidiaries. Additionally, the Committee produces an annual report on executive compensation for inclusion in CBCO's proxy statement, in accordance with applicable rules and regulations. The Committee shall consist of three or more directors that are appointed by the Board, upon the recommendation of the Corporate Governance and Nominating Committee. The members of the Committee serve until their successors are duly elected and qualified, and they may be removed by the Board at its discretion. Members of the Committee are independent directors who are not officers or employees of CBCO or its subsidiaries, and are not eligible to participate in any of the plans or programs that the Committee administers. In the opinion of the Board, these directors are independent of management and free of any relationship that would interfere with their exercise of independent judgment as members of this committee.

Members of the Committee shall also satisfy the independence standards of the Securities and Exchange Commission and applicable exchanges, as promulgated from time to time. The Committee meets periodically in executive sessions without members of management directors present.

Roles and Responsibilities

1. The Committee is responsible for administering and approving all elements of compensation and perquisites for elected officers. The Committee has the responsibility to ensure that these elements do not encourage the elected officers to take unnecessary risks that threaten the value of the company. It also approves participation in all awards, grants, and related actions under CBCO's equity plans and reviews changes in CBCO's pension plans affecting officers.
2. The Committee has the direct responsibility to review and approve goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and together with the other independent directors determine and approve the CEO's compensation level based on this evaluation. The Committee reviews its evaluations and recommendations with respect to the CEO's compensation with all independent members of the Board. The Committee also recommends to the Board on all items of compensation for the two highest-paid executives of each operating unit.
3. The Committee has the responsibility to adopt a TARP Compensation Compliance Policy and to enforce the applicable executive compensation requirements.

4. The Committee reports to the Board which in turn reports to stockholders on executive compensation items as required by the Securities and Exchange Commission.
5. The Committee has responsibility for reviewing CBCO's management resources programs and for recommending qualified candidates for election as officers.
6. The Committee has responsibility for periodically reviewing succession plans for officers of CBCO and officers of any subordinate entity. At least annually, the Committee reviews and assesses the CEO's succession plan for all key management positions that are deemed critical to CBCO's success.
7. The Committee has the responsibility to discuss, evaluate, and review, at least every six (6) months, employee compensation plans in order to eliminate any features of these plans that would encourage the manipulation of reported earnings that enhance the compensation of any employee and to make all reasonable efforts to limit any unnecessary risks these plans pose.
8. The Committee has the authority to delegate appropriate matters to subcommittees as the Committee may determine at its discretion.
9. The Committee has the sole authority to retain consultants and advisors as it may deem appropriate at its discretion. The Committee has the sole authority to approve related fees and other retention terms.
10. The Committee conducts an annual evaluation of its performance.
11. Following each Committee, the Chair reports the Committee's actions and recommendations to the Board.
12. The Committee reviews the adequacy of this Charter annually, recommending any proposed changes to the Board for approval.

Approved by the Board of Directors: November 18, 2009