

Bank of Commerce Holdings
Form DEF 14A
February 17, 2005

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. __)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule
14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

Bank of Commerce Holdings

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant) NA

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Bank of Commerce Holdings
Notice of 2005 Annual Meeting of Shareholders
And
Proxy Statement

April 4, 2005

Dear Shareholder:

It is my pleasure to invite you to Bank of Commerce Holdings 2005 Annual Meeting of Shareholders.

We will hold the meeting on May 17, 2005, at 5:00 p.m., in the lobby of Redding Bank of Commerce located at 1951 Churn Creek Road, Redding, California, 96002. In addition to the formal items of business, I will report on past performance and future prospects.

This mailing includes the formal notice of the Annual Meeting and the Proxy Statement. The Proxy Statement describes the business that we will conduct at the meeting and our 2004 Form 10-K and Annual Report provides financial results and information about Bank of Commerce Holdings & Subsidiaries.

Your vote is important. Whether or not you plan to attend the meeting, please vote your shares in one of two ways: via telephone or mail. If you choose to vote by mail, please complete, date, sign and return the enclosed proxy card in the postage-paid envelope. Your proxy may be revoked at any time before it is exercised as explained in this proxy statement.

We look forward to seeing you at the meeting.

Sincerely,

/s/ Michael C. Mayer

Michael C. Mayer
President and
Chief Executive Officer
Bank of Commerce Holdings & Subsidiaries

This proxy statement and the accompanying form of proxy are being mailed to shareholders on or about April 4, 2005

**BANK OF COMMERCE HOLDINGS
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

Date: Tuesday, May 17, 2005
Time: 5:00 p.m.
Place: Redding Bank of Commerce
1951 Churn Creek Road
Redding, California 96002

Dear Shareholders:

At our 2005 Annual Meeting, we will ask you to:

Elect directors each to serve for a term of one year;

Ratify the selection of Moss Adams, LLP as our independent public accountants for 2004; and

Transact any other business that may properly be presented at the Annual Meeting.

If you were a shareholder of record as of the close of business on March 31, 2005, you are entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. This proxy statement and the accompanying form of proxy are being mailed to shareholders on or about April 4, 2005.

We urge you to mark, sign and date and return the enclosed proxy as promptly as possible in the postage-prepaid return envelope so that, whether you intend to be present at the Annual Meeting or not, your shares can be voted. Proxies will also be accepted by telephone vote, transmission of a telegram, cablegram, and facsimile or by oral telephonic transmission provided such transmission contains sufficient information from which it can be determined that the transmission was authorized by the shareholder. Our transfer agent's facsimile number is (415) 989-5241. Returning your proxy will not limit your rights to attend or vote at the Annual Meeting.

By Order of the Board of Directors,

/s/ David H. Scott

Corporate Secretary, Bank of Commerce Holdings

Redding, California
Dated: April 4, 2005

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Why did you send me this Proxy Statement?

We sent you this proxy statement in connection with the solicitation by the Board of Directors of Bank of Commerce Holdings, (Bank of Commerce Holdings or the Company) a California corporation, of proxies in the accompanying form to be used at the Annual Meeting of Shareholders. This Proxy Statement summarizes the information you need to know to cast an informed vote at the Annual Meeting. You do not need to attend the Annual Meeting to vote your shares. Instead you may simply complete, sign and return the enclosed proxy card, or use the convenient telephone voting method as described in the proxy card.

Along with this Proxy Statement, we are also sending you our 2004 Form 10-K and Annual Report.

Who is entitled to vote?

Shareholders of record at the close of business on March 31, 2005 (the Record Date) are entitled to notice of and to vote at the Annual Meeting. As of the close of business on the Record Date, the Company had 8,502,531 shares of Common Stock outstanding and entitled to vote.

What constitutes a quorum?

The presence in person or by proxy of the holders of a majority of the Company's outstanding shares of Common Stock (Common Stock) constitutes a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes are each included in the determination of the number of shares present and voting for purposes of determining the presence of a quorum. A broker non-vote occurs when the nominee holding shares for a beneficial owner does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Abstentions will be included in the tabulations of the votes cast on proposals presented to the shareholders and therefore will have the effect of a negative vote. Broker non-votes will not be counted for purposes of determining the number of votes cast for a proposal.

How many votes do I have?

Each share of Bank of Commerce Holdings Common Stock that you owned as of the record date entitles you to one vote. The proxy card indicates the number of votes that you have.

How do I vote by proxy?

Whether or not you plan to attend the Annual Meeting, we urge you to complete, sign and date the enclosed proxy card and to return it promptly. You may also cast your votes by telephone as indicated on the proxy card. Returning the proxy card will not affect your right to attend the Annual Meeting and vote. If you fill in your proxy card and send it to us in time to vote, your proxy (as appointed on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board of Directors as follows:

For the election of all nine nominees for Director

If any other matter is presented, your proxy will vote in accordance with the recommendation of the Board of Directors, or, if no recommendation is given, in accordance with his or her best judgment. At the time this Proxy Statement went to press, we knew of no matters that needed to be acted upon at the Annual Meeting, other than those discussed in this Proxy Statement.

How do I change my vote?

Only holders of record at the close of business on March 31, 2005 will be entitled to vote at the annual meeting. Whether or not you plan to attend the Annual Meeting, you may vote your shares via telephone or mail. If you fill out and vote the proxy card, you may change your vote at any time before the vote is conducted at the Annual Meeting. You may notify the Company's Corporate Secretary in writing before the Annual Meeting that you have revoked your proxy. You may also attend the Annual Meeting and vote in person.

What vote is required to approve each proposal?

Proposal 1: Elect nine directors

The nine nominees for director who receive the most votes will be elected. If you do not vote for a particular nominee, or you indicate "Withhold Authority" to vote for a particular nominee on your proxy card, your vote will not count for or against the nominee.

Proposal 2: Ratification of the selection of Independent Public Accountants

The affirmative vote of a majority of votes cast at the Annual Meeting on this proposal is required to ratify the selection of independent public accountants. If you abstain from voting, it has no effect on the outcome of this proposal.

What are the costs of soliciting these Proxies?

The expense of printing and mailing proxy materials will be borne by the Company. In addition to the solicitation of proxies by mail, certain directors, officers and other employees of the Company may make solicitation by personal interview, telephone or facsimile. No additional compensation will be paid to such persons for such solicitation. The Company will reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation materials to beneficial owners of the Company's Common Stock. We have contracted with Mellon-Investor Services and ADP Investor Services to assist us in the distribution of materials and tabulation of the results. This service will cost the Company approximately \$10,000.00.

How do I obtain an Annual Report on Form 10-K?

The consolidated financial statements of Bank of Commerce Holdings and subsidiaries for the year ended December 31, 2004, as part of the Company's Form 10-K and 2004 Annual Report to Shareholders accompany this proxy statement.

Additional copies of the annual report on Form 10-K may be obtained upon written request to Linda J. Miles, Executive Vice President & Chief Financial Officer at the Company's administrative offices, 1951 Churn Creek Road, Redding, California 96002.

The Securities and Exchange Commission (SEC) maintains an internet site at <http://www.sec.gov> that contains Bank of Commerce Holdings' SEC filings. Access to the filings are also available from Redding Bank of Commerce's

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website portal under the heading Investor Information . The website addresses are www.reddingbankofcommerce.com or www.rosevillebankofcommerce.com.

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Information about Bank of Commerce Holdings Stock Ownership**Does anyone own 5% or more of Bank of Commerce Holdings Common Stock?**

Yes. Bank of Commerce Holdings is aware of three shareholders who beneficially own 5% or more of our outstanding common stock. The Securities and Exchange Commission has defined beneficial ownership (1) to mean more than ownership in the usual sense. For example, a person has beneficial ownership of a share not only if he owns it in the usual sense, but also if he has the power to vote, sell or otherwise dispose of the share. Beneficial ownership also includes that number of shares that a person has a right to acquire within sixty (60) days. The following table shows, to the knowledge of the Company, the only beneficial owners of more than five percent of the Corporation's shares as of the record date.

Name and address of Beneficial Owner	Number of shares	Percent of Class*
John C. Fitzpatrick 822 Northridge Drive Redding, California 96001	570,260	6.71%
Robert C. Anderson 1960 Bechelli Lane Redding, California 96002	557,200	6.56%
Harry L. Grashoff, Jr. 3162 Pinot Path Redding, California 96001	526,695	6.20%

* Based upon 8,502,531 shares outstanding at the record date.

How much of Bank of Commerce Holdings Stock is owned by Directors and Executive Officers?

The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock as of April 4, 2005 by (i) each person who is known by the Company to beneficially own more than five percent of the Company's Common Stock, (ii) each of the Company's directors, (iii) each of the Named Executive Officers (as defined on page 8) and (iv) all directors and executive officers of the Company as a group.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned (1)	# Percentage of Class
John C. Fitzpatrick (2)	570,260	6.71%
Robert C. Anderson (3)	557,200	6.56%
Harry L. Grashoff, Jr. (4)	526,695	6.20%
Welton L. Carrel (5)	318,138	3.75%
Kenneth R. Gifford, Jr. (6)	211,485	2.49%
Eugene L. Nichols (7)	180,730	2.13%
Russell L. Duclos (8)	151,170	1.78%
Michael C. Mayer (9)	153,113	1.80%

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David H. Scott (10)	75,499	0.89%
Linda J. Miles (11)	85,539	1.01%
Lyle L. Tullis (12)	27,100	0.32%
Patrick J. Moty (13)	58,200	0.69%
Randall S. Eslick (14)	13,050	0.16%
Robert J. O Neil (15)	19,488	0.23%
All directors and executive officers as a group (14 persons)	2,973,179	34.97%

- (1) Beneficial ownership is determined in accordance with the rules of the Commission and generally includes voting or investment power with respect to securities. Shares of Common Stock subject to options currently exercisable or exercisable within 60 days of March 31, 2005, are deemed to be beneficially owned by the person holding such option for the purpose of computing the percentage ownership of such person but are not treated as outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated by footnotes and subject to community property laws, where applicable, the persons named above have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them.
- (2) Includes 392,733 shares held by Carbonated Industries Inc., 53,777 shares owned by the J.C. and Betty Fitzpatrick 1984 Revocable Trust and 123,750 shares issuable to Mr. Fitzpatrick upon the exercise of options exercisable within 60 days of March 31, 2005. Mr. Fitzpatrick was chief executive officer of Carbonated Industries, Inc. Mr. Fitzpatrick disclaims beneficial ownership of such shares except for those shares in which he has a pecuniary interest.
- (3) Includes 557,200 shares held by the Anderson Family Revocable Living Trust, of which Mr. Anderson is a co-trustee and shares voting and investment power with respect to such shares.
- (4) Includes 391,695 shares held by the Grashoff Family Revocable Trust of which Mr. Grashoff and his wife are co-trustees, 18,612 shares held separately in his spouse's name, 22,638 held individually and 93,750 shares issuable to Mr. Grashoff upon the exercise of options exercisable within 60 days of March 31, 2005.
- (5) Includes 293,538 shares held by the Carrel Family Living Trust of which Mr. Carrel is a co-trustee with his wife Judith, and shares voting and investment power with respect to such shares and 24,600 shares issuable to Mr. Carrel upon the exercise of options exercisable within 60 days of March 31, 2005.
- (6) Includes 156,045 shares held jointly with Mr. Gifford's spouse, 19,800 shares held by Gifford Construction, Inc. and 35,640 shares issuable to Mr. Gifford upon the exercise of options exercisable within 60 days of March 31, 2005.
- (7) Includes 128,230 shares held by the Nichols Family Trust, of which Mr. Nichols is a co-trustee and shares voting and investment power with respect to such shares and 52,500 shares issuable to Mr. Nichols upon the exercise of options exercisable within 60 days of March 31, 2005.
- (8) Includes 106,170 shares held by the Duclos Family Trust of whom Mr. Duclos and his wife are co-trustees, and 45,000 shares issuable to Mr. Duclos upon the exercise of options exercisable within 60 days of March 31, 2005.
- (9) Includes 96,568 shares held individually, 38,845 shares in the RBC 401(k) Plan to which Mr. Mayer has voting powers as Trustee, and 17,700 shares issuable to Mr. Mayer upon the exercise of options exercisable within 60 days of March 31, 2005.
- (10) Includes 64,241 shares held jointly with Mr. Scott's spouse, 204 shares held individually by his wife, 6,054 shares in 401(k) retirement plan and 5,000 shares issuable to Mr. Scott upon the exercise of options exercisable within 60 days of March 31, 2005.
- (11) Consists of 3,189 shares held individually in 401(k) retirement plan, 66,750 shares held by the Miles Family Trust of whom Mrs. Miles and her husband are co-trustees, and 15,600 shares issuable to Ms. Miles upon the exercise of options exercisable within 60 days of March 31, 2005.

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- (12) Includes 20,500 shares held jointly with Mr. Tullis's spouse and 3,000 shares held separately in his spouse's name and 3,600 shares issuable to Mr. Tullis upon the exercise of options exercisable within 60 days of March 31, 2005.
- (13) Includes 18,000 shares individually, 9,300 shares jointly with Mr. Moty's wife and 30,900 shares issuable to Mr. Moty upon the exercise of options exercisable within 60 days of March 31, 2005.
- (14) Includes 13,050 shares issuable to Mr. Eslick upon the exercise of options exercisable within 60 days of March 31, 2005.
- (15) Includes 1,920 shares individually and 17,568 shares issuable to Mr. O'Neil upon the exercise of options exercisable within 60 days of March 31, 2005.

Information about Directors and Executive Officers

The Board of Directors

The Board of Directors oversees the business and monitors the performance of management. The Board does not involve itself in day-to-day operations. The directors are informed through reading reports and other materials, active participation in Board and committee meetings, and discussions with key executives and principal external advisors such as legal counsel, outside auditors, investment bankers and other consultants. Directors are expected to attend the Company's Annual Meeting of Shareholders, board meetings and meetings of the committees on which they serve.

The Committees of the Board of Directors

The Board of Directors has a standing Loan Committee, Executive Committee, Asset/Liability Committee, Long-range Planning Committee, Executive Compensation Committee, Nominating and Corporate Governance Committee and Audit Committee. The Executive Compensation Committee and Audit Committee meet the standards of independence prescribed by NASDAQ National Market.

Executive Committee

The members of the Executive Committee during 2004 were Robert C. Anderson, Michael C. Mayer, John C. Fitzpatrick, Kenneth R. Gifford, Jr., and Harry L. Grashoff, Jr. The Executive Committee held 12 meetings during 2004. The Executive Committee's functions are to review and discuss all current and pending strategic actions of the Company.

Loan Committee

The members of the Loan Committee during 2004 were Robert C. Anderson, Russell L. Duclos, Harry L. Grashoff, Jr., Kenneth R. Gifford, David H. Scott and Michael C. Mayer. The Loan Committee held 49 meetings during 2004. The Loan Committee's functions are to establish credit policy, monitor portfolio quality, review and approve credits, establish lending limits and monitor the Company's reserve allowance.

Long-range Planning Committee

The entire Board of Directors participates on the Long-range Planning Committee. The Long-range Planning Committee met once during 2004 for a strategic retreat and planning session. The Long-range Planning Committee's functions are to establish short and long term strategic goals for the Company.

Asset/Liability Committee

The members of the Asset/Liability Committee during 2004 were Robert C. Anderson, Russell L. Duclos, Harry L. Grashoff, Jr., David H. Scott, Michael C. Mayer, Linda J. Miles and Patrick J. Moty. The Asset/Liability Committee held four meetings during 2004. The Asset/Liability Committee's functions are to establish investment policy, monitor mix and maturity of the loan and investment portfolios and monitor exposure to interest rate risk.

Executive Compensation Committee

The members of the Executive Compensation Committee during 2004 were Robert C. Anderson, Welton L. Carrel, John C. Fitzpatrick, Eugene Nichols and Harry L. Grashoff, Jr. The Executive Compensation Committee held three

meetings during 2004. The Executive Compensation Committee's functions are to administer the Company's compensation programs and policies applicable to its executive officers. The Executive Compensation Committee also administers the Company's 1998 Stock Option Plan. The Executive Compensation Committee met three times during 2004.

Audit Committee

The members of the Audit Committee during 2004 were Robert C. Anderson, Harry L. Grashoff, Jr., Kenneth R. Gifford, Jr., David H. Scott and Lyle L. Tullis. The Audit Committee held nine meetings during 2004. The Audit Committee's functions are to assist the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the Company. The adopted charter of the committee is included as appendix A.

Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee during 2004 were Robert C. Anderson, John C. Fitzpatrick, Kenneth R. Gifford, Harry L. Grashoff, Jr. and Lyle L. Tullis. The Nominating and Corporate Governance Committee met twice during 2004. The Nominating and Corporate Governance Committee annually reviews with the skills and characteristics required of Board of Director nominees in the context of current Board of Directors composition and Company circumstances. In making its recommendations to the Board, the Nominating and Corporate Governance Committee considers, among other things, the qualifications of individual director candidates. The Nominating and Corporate Governance Committee works with the Board of Directors to determine the appropriate characteristics, skills and experience for the Board of Directors as a whole and its individual members with the objective of having a Board of Directors with diverse backgrounds and experience in business. In evaluating the suitability of individual members, the Board of Directors takes into account many factors, including general understanding of the Company's business and markets, finance, and other disciplines relevant to the success of a publicly traded company in today's business environment.

CORPORATE GOVERNANCE

The Board of Directors is responsible for providing effective governance over the Company's affairs. The Company's corporate governance practices are designed to align the interest of the Board of Directors and Management with those of the Company's stockholders and to promote honesty and integrity through out the Company. The adopted charter of the Nominating and Corporate Governance Committee is included in this document as appendix B.

REPORT OF THE AUDIT COMMITTEE

In accordance with its written charter adopted by the Board of Directors (Board), the Audit Committee of the Board (Audit Committee) assists the board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the Company and other such duties as directed by the board. The membership of the Audit Committee consists of at least three directors who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise. Each member of the Audit Committee is free of any relationship that, in the opinion of the board, would interfere with his or her individual exercise of independent judgment, and meet the director independence requirements for serving on Audit Committees as set forth in the corporate governance standards of the NASDAQ National Market.

During 2004, the Audit Committee met nine times. An executive session excluding management preceded each of the meetings. The Chairman of the Audit Committee reviewed the financial information contained in each of the quarterly press announcements and SEC Form 10-Q and 10-K filings with the Chief Executive Officer, CFO and independent auditors before public release. In addition the committee actively participated in the control documentation work being performed by the Sarbanes-Oxley 404 Committee (SOX 404). During 2004, the Audit Committee of the Board of Directors has contracted with Moss Adams, LLP to provide guidance in the Company's Sarbanes-Oxley Section 404

compliance efforts. As of December 31, 2004 no services related to this project had been provided.

The Company considers all outside auditing consultants to be independent auditors. In discharging its oversight responsibility with respect to the Audit process, the Committee obtained from the independent auditors a formal written statement describing all relationships between the auditors and the Company that might bear on the auditors independence consistent with Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, discussed with the auditors any relationships that may impact their objectivity and independence and satisfied itself as to the auditor's independence. The Audit Committee also discussed with management and the independent auditors the quality and adequacy of the Company's internal controls and the outsourced audit functions, responsibilities, budget and staffing. The Audit Committee reviewed with the independent auditors their audit plans, audit scope and identification of audit risks.

The Audit Committee discussed and reviewed with the independent auditors all communications required by auditing standards generally accepted in the United States of America, including those described in Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees, and discussed and reviewed the results of the independent auditor's audit of the financial statements. The Audit Committee also discussed the results of all internal audit examinations.

The Audit Committee reviewed the audited financial statements of the company as of and for the year ended December 31, 2004, with management and the independent auditors. Management has the responsibility for the preparation of the Company's financial statements and the independent auditors have the responsibility for the audit of those statements.

Based on the above-mentioned review and discussions with management and the independent auditors, the Audit Committee recommended to the Board that Bank of Commerce Holdings' audited financial statements be included in its annual Report on Form 10-K for the year ended December 31, 2004, for filing with the Securities and Exchange Commission.

Principal Accounting Firm fees

Audit Fees

The aggregate fees billed by Moss Adams, LLP for professional services rendered for the audit of the Company's annual financial statements for the fiscal year ended December 31, 2004 and for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for that fiscal year were \$97,500.

Financial Information Systems Design and Implementation Fees

Moss Adams LLP did not render any professional services for information technology services relating to financial information systems design and implementation for the fiscal year ended December 31, 2004.

All Other Fees

The aggregate fees billed by Moss Adams LLP for services rendered to the Company, other than the services described above under Audit Fees and Financial Information Systems Design and Implementation Fees, for the fiscal year ended December 31, 2004 were \$0. During 2004, the Audit Committee of the Board of Directors has contracted with Moss Adams, LLP to provide guidance in the Company's Sarbanes-Oxley Section 404 compliance efforts. As of December 31, 2004 no services related to this project had been provided. The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining the principal accountant's independence.

Respectfully submitted,

David H. Scott, Chairman of the Audit Committee
Robert C. Anderson
Harry L. Grashoff, Jr.
Kenneth R. Gifford, Jr.
Lyle L. Tullis

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Board of Directors Meetings

The Board of Directors held 12 meetings during 2004. All directors attended at least 92% of the aggregate number of meetings of the Board of Directors and of the committees on which such directors serve, and all directors attended the 2004 Annual Meeting of Shareholders.

How we compensate Directors

Each outside director of the Company receives a \$500 monthly retainer. Directors are paid \$500 for each Board of Directors meeting attended and \$250 for each committee meeting attended. Committee chairmen are paid an additional \$50 per meeting. The Chairman of the Board is paid an additional \$1,250 per month and the Chairman of the Audit Committee is paid an additional \$875 per month. Directors are also eligible to participate in the 1998 Stock Option Plan, as determined by the Executive Compensation Committee.

In April 1998, options to purchase shares of the Company's Common Stock were granted to each of the Company's outside directors as follows: Robert C. Anderson: 148,500 shares, Welton L. Carrel: 89,100 shares, John C. Fitzpatrick: 123,750 shares, Kenneth R. Gifford, Jr.: 59,400 shares, Harry L. Grashoff, Jr.: 123,750 shares, Eugene L. Nichols: 82,620 shares and David H. Scott: 64,350 shares. As an employee, Russell L. Duclos received incentive stock options of 90,000 shares. The options were granted at an exercise price of \$2.75, which represented 85% of the fair market value of the Common Stock on the date of grant as determined by the most recent sale activity posted on the over-the-counter bulletin board. The options were fully vested on April 22, 2003. On May 1, 2004, 18,000 shares of the Company's Common Stock was granted to Lyle L. Tullis at an exercise price of \$10.72, which represented 85% of the fair market value on the date of the grant as determined by the most recent sale activity posted on NASDAQ. The options will vest over five years and mature on May 1, 2014.

Under the terms of the 1998 Stock Option Plan, vesting of the options is accelerated in the event of a change of control (as defined in the 1998 Stock Option Plan), termination of employment by reason of death or disability, retirement, or termination of employment by the Company without cause.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the Company's directors and executive officers and persons who own more than ten percent of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of changes of ownership of Common Stock and other equity securities of the Company. To the Company's knowledge, based solely upon a review of such reports and written representations, the Company believes that all reports required by Section 16(a) of the Exchange Act to be filed by its executive officers and directors during the last fiscal year were filed in a timely manner, except that Russell L. Duclos missed filing a Form 4 relating to the gift of 100 shares of the Company's common stock.

Compensation Committee Interlocks and Insider Participation

During the fiscal year 2004, Harry L. Grashoff, Jr., retired President and CEO of the Company, participated in deliberations of the Corporation's Executive Compensation Committee of the Board of Directors concerning executive officer compensation. Mr. Grashoff retired as President and CEO of the Company in July 1997. No other member of the Executive Compensation Committee of the Board of Directors serves or has served as a bank officer or employee of Bank of Commerce Holdings or its subsidiaries.

Related Party Transactions

Certain directors and officers of the Bank and entities with which they are associated are customers and have transactions with the Bank in the ordinary course of business. All loans and commitments included in such transactions are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and do not involve more than normal risk of collectibility or present other unfavorable features.

Indemnification Matters

The Company's bylaws provide for indemnification of the Company's directors, officers, employees and other agents of the Company to the extent and under the circumstances permitted by the California General Corporation Law. The Company's bylaws also provide that the Company shall have the power to purchase and maintain insurance covering its directors, officers and employees against any liability asserted against any of them and incurred by any of them, whether or not the Company would have the power to indemnify them against such liability under the provisions of applicable law or the provisions of the Company's bylaws.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the Company pursuant to provisions in the Company's bylaws, the Company understands that it is in a position of the Securities and Exchange Commission (the "SEC"), that such indemnification is against public policy as expressed in the Securities Act of 1933, and is therefore unenforceable.

How we compensate Executive Officers

Executive Compensation Committees Report on Executive Compensation

The Company's compensation programs and policies applicable to its executive officers are administered by the Executive Compensation Committee of the Board of Directors. The Executive Compensation Committee is made up of directors that meet the standards of independence required by NASDAQ National Market. The members of the Executive Compensation Committee are Robert C. Anderson, Welton L. Carrel, John C. Fitzpatrick, Eugene Nichols and Harry L. Grashoff, Jr.

Compensation Philosophy and Policies The Compensation Charter

The Company's compensation programs and policies are designed to enhance shareholder value by aligning the financial interests of the executive officers of the Company with those of the Company's shareholders. The Executive Compensation Committee meets annually to review the salaries of executive officers, to reestablish the base salary, to propose adjustments to the incentive compensation portion and to establish a discretionary bonus plan if all performance objectives are met.

The Company's philosophy for granting stock options is based on the principles of encouraging key employees to remain with the Company and to encourage ownership thereby providing them with a long-term interest in the Company's overall performance. Income arising under the 1998 Stock Option Plan currently does not qualify as performance-based compensation. The Company intends to retain the flexibility necessary to provide total cash compensation in line with competitors' practice, the Company's compensation philosophy and the Company's best interests, including compensation that may not be deductible.

Components of Executive Officer Compensation

There are four primary components of executive compensation: base salary, incentive profit sharing, discretionary incentive and options granted under the 1998 Stock Option Plan.

Base Salary. The annual base salaries of executive officers are reviewed by the Executive Compensation Committee, taking into consideration the level of peer group salaries, the overall performance of the Company, the performance of the portfolio and department under the executive officer's management control and the individual executive officer's contribution and performance.

The base salary for the Chief Executive Officer for 2004 was determined by (i) examining the Company's performance against its preset goals, (ii) comparing the Company's performance against its peer group competitors, (iii) evaluating the effectiveness and performance of the Chief Executive Officer and (iv) comparing the base salary of the Chief Executive Officer to that of other chief executive officers in the Company's peer group. The total compensation received by the Company's Chief Executive Officer is detailed in the Summary Compensation Table.

Incentive Profit Sharing Plan. The Company's Incentive Profit Sharing Plan (the Profit Sharing Plan) is a cash-based incentive profit sharing program. The Profit Sharing Plan provides that profit sharing is computed on the Company's profit after a 20% return on prior years equity, before income taxes, less any gain on investments securities sold and plus any losses on investment securities sold. The cash incentive is paid the first week of each calendar quarter as to 70% of the incentive earned for the previous calendar quarter. The remaining 30% holdback is paid upon verification and completion of its audited annual financial statements. The Company's President and Chief Executive Officer earns 5.50% of the profits as defined above, the Company's Executive Vice President and Chief Financial Officer earns 3.50% of the profits as defined above, limited by absolute dollar caps.

Discretionary Incentive. Through year-end 2004, the Executive Compensation Committee established a discretionary incentive plan for the Company's two highest-ranking executive officers. The incentive is paid if the Company meets certain preset financial and growth goals set forth in the Company's strategic plan.

Stock Options. Under the Company's compensation philosophy, ownership of the Company's Common Stock is a key element of executive compensation. The grant of a stock option is intended to retain and motivate key executives and to provide a direct link with the interest of the shareholders of the Company. In general, stock option grants are determined based on (i) prior award levels, (ii) total awards received to date by the individual executives, (iii) the total stock award to be made and the executive's percentage participation in that award, (iv) the executive's direct ownership of Company Common Stock, (v) the number of options vested and nonvested and (vi) the options outstanding as a percentage of total shares outstanding.

Respectfully submitted,

John C. Fitzpatrick, Chairman of the Executive Compensation Committee
Robert C. Anderson
Welton L. Carrel
Harry L. Grashoff, Jr.
Eugene Nichols

Executive Officers and Senior Management

Set forth below are the names and most recent biographies of Bank of Commerce Holdings executive officers and senior leadership team. Only Mr. Mayer, Mrs. Miles, Mr. Moty, Mr. Eslick and Mr. O Neil are Named Officers for purposes of the Securities Exchange Act and rules thereunder. Information relating to other Company personnel in this proxy statement is provided solely for the information of shareholders.

<i>Name and age</i>	<i>Principal occupation and business experience</i>
Michael C. Mayer, born in 1956	President and Chief Executive Officer and a director of Bank of Commerce Holdings, Redding Bank of Commerce (the Bank) and Bank of Commerce Mortgage since January 2001. From April 1997 to May 2000, he served as Executive Vice President and Chief Credit Officer of the Bank. From May 2000 to January 2001, he served as Executive Vice President and Chief Operating Officer of the Bank. Before joining the Bank, Mr. Mayer was Senior Vice President and Senior Loan Officer at another California independent financial institution.
Linda J. Miles, born in 1953	Executive Vice President and Chief Financial Officer of Bank of Commerce Holdings, Redding Bank of Commerce and Bank of Commerce Mortgage since January 1996. From October 1989 to December 1995, she served as Senior Vice President and Chief Financial Officer of the Bank. Before joining the Bank, Ms. Miles was Senior Vice President and Chief Financial Officer at another California independent financial institution.
Caryn A. Blais, born in 1951	Senior Vice President and Chief Information Officer of Redding Bank of Commerce since 1991. Commenced banking career in 1979 with another California independent financial institution. Administrative positions since 1986.
Theodore Cumming, born in 1957	Senior Vice President and Lending Group Manager of Redding Bank of Commerce since 2001. Commenced banking career in 1977 at a major financial institution. Vice President of Commercial lending at time of joining the Bank.
Randall S. Eslick, born in 1957	Senior Vice President and Regional Manager Roseville Bank of Commerce since 2002. Commenced banking career in 1981 at a major financial institution. Vice President and Commercial loan officer at another California independent financial institution from 1986 - 2001. Joined the Bank in March 2001 as Senior Vice President and Commercial Loan Officer.

<i>Name and age</i>	<i>Principal occupation and business experience</i>
Roger Janis, born in 1947	Vice President Special Projects of the Bank since 2003, Business Development 2002-2003. Commenced banking career in 1970 at a major financial institution and took an early retirement package in 2000 prior to joining the Bank.
Samuel Jimenez, C.P.A., born in 1964	Vice President and Director of Risk Management of the Bank since September 2003. Federal Deposit Insurance Corporation (FDIC) examiner from 1992 2003.
Robert A. Matranga, born in 1953	Senior Vice President and Lending Group Manager of Redding Bank of Commerce since May 1997. Commenced banking career in 1978 with a major financial institution. 1995 1997 with another local independent bank. Vice President of commercial lending at the time of joining the Bank.
Patrick J. Moty, born in 1957	Senior Vice President and Chief Credit Officer of Redding Bank of Commerce since 2000. Senior Vice President and Senior Loan office from 1998 2000, Vice President & Senior Loan Officer from 1993 1998, Vice President Loan Officer from 1988 1993, Assistant Vice President & Loan Officer from 1987 1988, Loan Officer from 1985 1987, prior to joining the Bank four years in lending at a major financial institution.
Robert J. O Neil, born in 1955	Senior Vice President and Lending Group Manager of Roseville Bank of Commerce since April 2002. Commenced banking career in 1975 with a major financial institution. 1986 2002 with another local independent bank. Vice President of commercial lending at the time of joining the Bank.
Debra A. Sylvester, born in 1958	Senior Vice President and Marketing Director of Redding Bank of Commerce since April 1999. Commenced banking career in 1984 with Redding Bank of Commerce, Vice President Administrative, Controller and Business Development.
Larry D. Watson, born in 1939	Vice President Administrative Operations of the Bank since 1995. Commenced banking career in 1961 at a major financial institution. Attained title of Vice President and Manager of District Operations during 25 year tenure at a major financial institution.

CODE OF ETHICS

In February 2003, the Board of Directors adopted a Code of Ethics which applies to all of the Company's directors, officers and employees, including its Chief Executive Officer, Chief Financial Officer and Chief Credit Officer. The Code of Ethics consists of basic standards of business practice as well as professional and personal conduct. The Code of Ethics is available on the Company's website at www.reddingbankofcommerce.com. A printed copy of the Code of Ethics is also available upon written request to: Redding Bank of Commerce, Attention: Shareholder relations, 1951 Churn Creek Road, Redding, California 96001.

EXECUTIVE COMPENSATION**Summary Compensation Table**

The following table sets forth certain summary information concerning compensation paid to the Company's Chief Executive Officer, Chief Financial Officer, Chief Credit Officer, Senior Vice President and Regional Manager, and Senior Vice President and Lending Group Manager (the "Named Executive Officers") on December 31, 2004, and whose aggregate salary and bonus exceeded \$100,000 in fiscal 2004.

Name and Principal Position	Year	<u>Annual Compensation</u>			<u>Long Term Compensation Awards</u>	
		Salary (\$)(1)	Incentive Compensation (\$)(2)	Other Annual Compensation (\$)(3)	Securities	
					Options (\$)(4)	All Other Compensation (\$)(5)
Michael C. Mayer President & Chief Executive Officer	2004	\$166,000	\$99,411	\$8,700	10,500	\$47,640
	2003	\$151,000	\$87,182	\$8,700	7,500	\$39,687
	2002	\$125,000	\$64,969	\$8,700	0	\$36,284
Linda J. Miles Executive Vice President & Chief Financial Officer	2004	\$130,000	\$64,748	\$6,720	6,000	\$56,736
	2003	\$126,000	\$59,013	\$6,720	6,000	\$47,350
	2002	\$101,000	\$54,373	\$6,720	0	\$43,288
Patrick J. Moty Senior Vice President & Chief Credit Officer	2004	\$107,280	\$40,000	\$3,060	3,900	\$0
	2003	\$103,000	\$29,000	\$3,060	0	\$0
	2002	\$100,000	\$20,000	\$3,060	1,800	\$0
Randall S. Eslick Senior Vice President & Regional Manager	2004	\$120,840	\$26,500	\$8,460	4,500	\$0
	2003	\$117,302	\$15,000	\$8,460	0	\$0
	2002	\$115,002	\$10,000	\$8,460	2,250	\$0
Robert J. O Neil Senior Vice President & Lending Group Manager	2004	\$115,252	\$22,750	\$8,460	1,800	\$0
	2003	\$111,895	\$16,750	\$8,460	0	\$0
	2002	\$109,700	\$20,000	\$8,460	30,000	\$0

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- (1) Base salary includes 401(k) Plan contributions made by the officers.
 - (2) Includes bonus amounts in the year paid, rather than in the year earned.
 - (3) Represents an automobile for business use or car allowance, and membership expenses in connection with the use of a private club for business purposes, particularly for the purpose of entertaining the Bank's customers. The officers may have derived some personal benefit from the use of such automobiles and membership. The Company, after reasonable inquiry, believes that the value of any personal benefit not directly related to job performance which is derived from the personal use of such automobile and membership does not exceed \$10,000 per year in the aggregate for any single executive officer.
 - (4) Stock option grants reported for each year.
 - (5) Contributions to the Executive Salary Continuation Plan (SCP).

STOCK OPTIONS

The following table summarizes the options granted during fiscal 2004 to the individuals identified below.

Option Grants for 2004Individual Grants

Name	Number of Securities Underlying Options Granted(#)(1)	Percentage of Total Options Granted to Employees in Fiscal Year	Exercise Price (\$/Sh)(2)	Expiration Date(3)	Grant Date Present Value (\$) (4)
Michael C. Mayer	10,500	12.73%	\$ 10.60	06/15/2014	\$ 96,810
Linda J. Miles	6,000	7.28%	\$ 10.60	06/15/2014	\$ 55,320
Patrick J. Moty	3,900	4.73%	\$ 10.60	06/15/2014	\$ 35,958
Randall S. Eslick	4,500	5.46%	\$ 10.60	06/15/2014	\$ 41,490
Robert J. O Neil	1,800	2.19%	\$ 10.60	06/15/2014	\$ 16,596

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- (1) The right to exercise these stock options vests on an annual basis over a five-year period from the date of the grant. Under the terms of the Company's stock plans, the committee designated by the Board of Directors to administer such plans retains the discretion, subject to certain limitations, to modify, extend or renew outstanding options and to reprice outstanding options. Options may be repriced by canceling outstanding options and reissuing new options with an exercise price equal to the fair market value on the date of reissue, which may be lower than the original exercise price of such canceled options.
- (2) All options are incentive stock options. The exercise price is equal to 100% of the fair market value on the date of grant as determined by the close of sale price on the NASDAQ National Market.
- (3) The options have a term of ten years, subject to earlier termination in certain events related to termination of employment.
- (4) In accordance with Securities and Exchange Commission Rules, the fair value of options granted is estimated on the date of the grant using a binomial option-pricing model with the following assumptions: volatility of 30.88%, risk-free interest rate of 3.62%, expected dividends of \$0.23 per share, an annual dividend rate of 2.00%, an assumed forfeiture rate of zero and an expected life of seven years.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following tables set forth the number of shares of Bank of Commerce Holdings Common Stock acquired by each of the named Executive Officers during fiscal year 2004, if any, the net value realized upon exercise, the number of shares of common stock represented by outstanding stock options held by each of the named Executive Officers as of December 31, 2004, the value of such options based on the average of the high and low prices of common stock and certain information concerning unexercised options under the 1998 Employee Stock Option Plan:

Option Exercises in 2004 and 2004 Year-End Option Values (1)

Name	Options Exercised <u>During 2004</u>		Underlying Unexercised Options on <u>December 31, 2004 (#)</u>		Number of Securities Value of Unexercised In-the Money Options <u>December 31, 2004(\$)(3)</u>	
	Shares Acquired On the Exercise (#)	Value Realized (\$)(2)	Exercisable	Unexercisable	Exercisable	Unexercisable
Michael C. Mayer	74,250	\$ 695,723	10,950	22,800	\$ 73,889	\$ 95,634
Linda J. Miles	66,750	\$ 625,448	10,200	16,800	\$ 57,840	\$ 71,460
Patrick J. Moty	9,300	\$ 67,141	27,600	9,300	\$ 226,490	\$ 36,817
Randall S. Eslick	0	\$ 0	9,000	11,250	\$ 60,678	\$ 52,115
Robert J. O Neil	1,920	\$ 16,070	11,232	18,648	\$ 56,722	\$ 88,232

(1) Based on the fair market value of the Company's Common Stock at December 31, 2004 of \$12.35 per share less the applicable exercise price per share. The fair market value of the Company's Common Stock at December 31, 2004 was determined based on the last reported sale of the Company's Common Stock in 2004 as reported on the NASDAQ National Market.

(2) The value represents the market value at exercise less the exercise price.

(3) The value represents the difference between the exercise price and the market value of Common Stock of \$12.35 on December 31, 2004. An option is in-the-money if the market value of Common Stock exceeds the exercise price.

Employment contracts, change in control agreements and termination of employment

Effective April 2001, Bank of Commerce Holdings and Redding Bank of Commerce entered into a four-year employment agreement with its President and Chief Executive Officer, Michael C. Mayer. The agreement provides for, among other things, (a) a base salary of \$166,000 per year, which the Executive Compensation Committee of the Board of Directors can and does adjust annually at its discretion; (b) profit sharing of 5.50% of pretax earnings that exceed a 20% return on beginning shareholder equity, which the Executive Compensation Committee of the Board of Directors can adjust annually at its discretion; (c) through year-end 2004, a discretionary bonus of up to \$25,000 based upon the Company's financial and growth results; (d) four weeks annual vacation; (e) an automobile of predetermined value, including expenses; (f) supplemental retirement benefits (see Salary Continuation Plan below); (g) Country Club membership dues; (h) health and life insurance benefits that are now or may hereinafter be in effect for all other

full time employees; and (i) reimbursement for ordinary and necessary expenses incurred by Mr. Mayer in connection with his employment.

Upon Mr. Mayer's termination for cause, Mr. Mayer will be entitled to no additional compensation except all salary earned prior to the date of termination, plus any accrued profit sharing and vacation benefit. Upon termination at the sole and absolute discretion of the Board of Directors, Mr. Mayer will be entitled to one year of Mr. Mayer's then total compensation package. In the event of a change in control, Mr. Mayer will be entitled to the then full compensation package for a period of eighteen months.

Effective April 2001, Bank of Commerce Holdings and Redding Bank of Commerce also entered into a four-year employment agreement with its Executive Vice President and Chief Financial Officer, Linda J. Miles. The agreement provides for, among other things, (a) a base salary of \$130,000 per year, which the Executive Compensation Committee of the Board of Directors can and does adjust annually at its discretion; (b) profit sharing of 3.50% of pretax earnings that exceed a 20% return on beginning shareholder equity, which the Executive Compensation Committee of the Board of Directors can adjust annually at its discretion; (c) through year-end 2004, a discretionary bonus of up to \$20,000 based upon the Company's financial and growth results; (d) four weeks annual vacation; (e) an automobile of predetermined value, including expenses; (f) supplemental retirement benefits (see Salary Continuation Plan below); (g) Country Club membership dues; (h) health and life insurance benefits that are now or may hereinafter be in effect for all other full time employees; and (i) reimbursement for ordinary and necessary expenses incurred by Ms. Miles in connection with her employment.

Upon Ms. Miles' termination for cause, Ms. Miles will be entitled to no additional compensation except all salary earned prior to the date of termination, plus any accrued profit sharing and vacation benefit. Upon termination at the sole and absolute discretion of the Board of Directors, Ms. Miles will be entitled to one year of Ms. Miles' then total compensation package. In the event of a change in control, Ms. Miles will be entitled to the then full compensation package for a period of eighteen months.

Salary Continuation Plan

In April 2001, the Board of Directors approved the implementation of the Executive Salary Continuation Plan (SCP), which is a non-qualified executive benefit plan in which the Company agrees to pay the executive additional benefits in the future in return for continued satisfactory performance by the executive. Benefits under the salary continuation plan include income generally payable commencing upon a designated retirement date for twenty years, disability or termination of employment, and a death benefit for the participants designated beneficiaries.

Key-man life insurance policies were purchased as an investment to offset the Company's contractual obligation to pay pre-retirement death benefits and to recover the Company's cost of providing benefits. The executive is the insured under the policy, while the Company is the owner and beneficiary. The insured executive has no claim on the insurance policy, its cash value or the proceeds thereof.

The retirement benefit is derived from accruals to a benefit account during the participant's employment. At the end of the executive's period of service, the aggregate amount accrued should equal the then present value of the benefits expected to be paid to the executive.

Upon termination of employment for cause, the participant forfeits all benefits. The participant is entitled to all vested benefits in the case of termination without cause; however, if a participant voluntarily resigns prior to reaching normal retirement age, his or her benefits are reduced by accrual amounts not yet funded. Upon a change of control, the participant is entitled to the full retirement benefit.

The following table illustrates the approximate annual retirement income that may become payable to a key employee assuming benefits commence at age 61 and are payable for the employee's life or for 20 years (whichever is greater):

	Date	Accrual Balance	Vested Percent	Vested Accrual Balance	Annual Retirement Benefit
Michael C. Mayer	4/17/04	\$ 119,381	100%	\$ 119,381	\$ 150,000
Linda J. Miles	4/17/04	\$ 142,429	100%	\$ 142,429	\$ 125,000

Director Deferred Compensation Plan

The Director's Deferred Compensation Plan, adopted by the Board of Directors effective January 1, 1993 is a non-qualified director benefit plan in which the eligible director voluntarily elects to defer some or all of his or her current fees in exchange for the Company's promise to pay a deferred benefit. The deferred fees are credited with interest under the plan and the accrued liability is paid to the director at retirement. As a non-qualified plan, the plan is only available to outside directors without regard to nondiscrimination requirements of qualified plans. The account is segregated from other assets owned by the Bank, only by way of its identification on the books of the Bank as a liability of the Bank to the Director. The account is subject to claims of general creditors of the Bank and the account shall be a general unsecured creditor of the Bank.

No compensation so deferred shall be payable to a director until the death, disability, resignation, retirement or removal from office of such director, whereupon all such compensation, together with interest thereon shall be provided to such director, or his beneficiary within thirty (30) days from the date of death, disability or resignation. If the director shall designate an optional installment payment method, in which event the first installment shall be paid after six months of his or her normal retirement date. Interest on compensation deferred is credited on a monthly basis and compounded at a rate of ten percent (10%).

Upon the death of a director, while serving in such capacity, distribution of compensation deferred together with interest shall be made in one lump sum to his or her designated beneficiary. Upon the death of a director who had previously retired and had elected an installment method of distribution, all sums remaining undistributed shall be paid in one lump sum to his or her designated beneficiary. Deferred compensation by reason of the resignation or retirement, may at the option of the director, be payable in approximately equal monthly installments over a period not to exceed fifteen (15) years, provided however, that on any such installment method of distribution, interest shall continue to be credited on the undistributed sums.

As of December 31, 2004 the Company's accrued obligations under the Directors Deferred Compensation Plan were \$1,571,260.

Stock Price Performance Graph

The following graph compares the Company's cumulative total return to shareholders during the past five years with that of the Standard & Poor's 500 Composite Stock Index (the S&P) and the SNL Securities \$250-\$500 million Bank Asset-Size Index (the SNL Securities Index). The stock price performance shown on the following graph is not necessarily indicative of future performance of the Company's Common Stock.

Bank of Commerce Holdings

Stock Performance Graph⁽¹⁾

SNL Securities LC ©2005

(804) 977-1600

(1) Assumes \$100 invested on December 31, 1999, in the Company's Common Stock, the NASDAQ, the S&P 500 and the SNL Securities Index. Assumes reinvestment of dividends. Source: SNL Securities (share prices for the Company's Common Stock was furnished to SNL Securities through the NASDAQ).

Discussion of proposals recommended by the Board of Directors

Proposal 1

Election of Directors

The Board of Directors have nominated nine persons for election at the Annual Meeting. If you elect them, they will hold office until the election of their successors at the Annual Meeting in 2006, or until they resign.

We know of no reason why any nominee may be unable to serve as a director. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Board of Directors. If for any reason these nominees prove unable or unwilling to stand for election, the Board will nominate alternatives. The Board of Directors has no reason to believe that its nominees would prove unable to serve if elected.

The Board of Directors recommends a vote FOR the election of each of the nine nominees for director.

Brief summaries of the background and business experience of each of the nominees other than Mr. Mayer, who was profiled earlier in this document:

Welton L. Carrel, born in 1937, has served as a director of the Company since January 1982. Mr. Carrel is retired. From 1961 to 1989, he was President of Western Business Equipment d.b.a. Carrel's Office Machines. Mr. Carrel is a member of the Executive Compensation Committee and Long Range Planning Committee of the Board of Directors.

Russell L. Duclos, born in 1939, has served as a director of the Company since July 1997. From July 1997 through December 2000, Mr. Duclos served as President and Chief Executive Officer of the Bank and from January 2001 through April 2001 as President and Chief Executive Officer of the Company. Mr. Duclos is Chairman of the Asset Liability Management Committee (ALCO), and presently serves on the Loan Committee and Long Range Planning Committee of the Board of Directors.

John C. Fitzpatrick, born in 1935, has been a director of the Company since January 1982. Mr. Fitzpatrick has been Chief Executive Officer of Carbonated Industries since 1986. From 1986 to 2001, Mr. Fitzpatrick served as President and Chief Executive Officer of Pepsi Cola Bottling Company of Northern California. From 1962 to 1985, Mr. Fitzpatrick was President and Chief Executive Officer of McColl's Dairy Milk and Ice Cream. Mr. Fitzpatrick also serves as Secretary of John Fitzpatrick & Sons, Inc., a company engaged in the real estate investment business. Mr. Fitzpatrick serves as Chairman of the Executive Compensation Committee and is a member of the Executive, Executive Compensation, Nominating and Corporate Governance and Long Range Planning Committee of the Board of Directors.

Kenneth R. Gifford, Jr., born in 1945, has served as a director of the Company since January 1998. Mr. Gifford has been a director, President and Chief Executive Officer of Gifford Construction, Inc. since 1972. Mr. Gifford is a member of the Loan, Audit, Executive Committee, Nominating and Corporate Governance, and Long-Range Planning Committees of the Board of Directors.

Harry L. Grashoff, Jr., born in 1935, and has served as a director of the Company since January 1982. During 2004 Mr. Grashoff was voted as Vice-Chairman of the Company. Mr. Grashoff is retired. From 1982 to July 1997, Mr. Grashoff was President and Chief Executive Officer of the Company. Beginning March 1, 2005 Mr. Grashoff was appointed to Chairman of the Board. During 2004, Mr. Grashoff served as Chairman of the Loan committee. He is a member of the Executive, Long-Range Planning, Executive Compensation committee, Nominating and Corporate Governance and ALCO committees of the Board of Directors.

Eugene L. Nichols, born in 1934, has been a director of the Company since January 1982. He is the founding principal of Nichols, Melburg and Rossetto and Associates, an award winning architectural firm. Mr. Nichols serves on the Executive Compensation and Long-Range Planning Committees of the Board of Directors.

David H. Scott, born in 1944, has been a director of the Company since April 1997. He is a partner of D. H. Scott & Company, LLP, a public accounting firm, a position he has held since 1986. Mr. Scott serves as Chairman of the Audit Committee and is a member of the ALCO, Loan and Long Range Planning committees of the Board of Directors. Mr. Scott meets the criteria as financial expert on the Audit Committee. Mr. Scott also serves as the Secretary of the Company.

Lyle L. Tullis, born in 1950, has been a director of Redding Bank of Commerce since November 2002, and became a director of Bank of Commerce Holdings in May 2003. Since 1976, he has served as president of Tullis Inc. a general engineering construction company. His company specializes in public works projects that include grading and paving. Mr. Tullis is the past District Chairman of the Eureka and Shasta Districts of the Associated General Contractors of California. Mr. Tullis serves on the Audit, Nominating and Corporate Governance and Long-Range Planning Committees of the Board of Directors.

None of the directors were selected pursuant to arrangements or understandings other than with the directors and shareholders of the Company acting within their capacity as such. There are no family relationships between any of the directors, and none of the directors serve as a director of any other company which has a class of securities registered under, or subject to periodic reporting requirements of, the Securities Exchange Act of 1934, as amended, or any company registered as an investment company under the Investment Company Act of 1940.

The Board of Directors recommends a vote FOR the ratification of Moss Adams, LLP as the Company's independent auditors for the year ended December 31, 2004.

The Company does not expect that representatives of Moss Adams LLP will be present at the Annual Meeting.

Other Business

Requirements, including deadlines for submissions or proposals, nomination of Directors and other Shareholder business

Under the Rules of the SEC, if a shareholder wants to include a proposal in the Company's Proxy Statement and form of proxy for presentation at the Company's 2006 Annual Meeting of Shareholders, the proposal must be received by the Company at its principal administrative office located at 1951 Churn Creek Road, Redding, California by November 20, 2005.

Under the Company's bylaws, as permitted by the SEC, certain procedures are provided which a shareholder must follow to nominate persons for election as directors or to introduce an item of business at an annual meeting of shareholders.

Nomination of directors must be made by notification in writing delivered or mailed to the President of the Company at the Company's principal administrative office not less than 30 days or more than 60 days prior to any meeting of shareholders called for election of directors. The Company's annual meeting of shareholders is generally held on the third Tuesday of May. If the Company's 2006 Annual Meeting of Shareholders is held on schedule, the Company must receive notice of any nomination no earlier than March 20, 2006, and no later than April 20, 2006. The Chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedures. If the Chairman of the meeting acknowledges the nomination of a person not made in compliance with the foregoing procedures, the persons named as proxies in the proxy materials relating to that meeting will use their discretion in voting the proxies when the nomination is made at the meeting.

Notice of any business item proposed to be brought before an annual meeting by a shareholder must be received by the Secretary of the Company not less than 70 days or more than 90 days before the annual meeting. If the Company's 2006 Annual Meeting of Shareholders is held on schedule, the Company must receive notice of any proposed business item no earlier than February 20, 2006, and no later than March 10, 2006. If the Company does not receive timely notice, the Company's bylaws preclude consideration of the business item at the annual meeting. The Company's bylaws also provide that notices regarding nomination of directors must contain certain information about the director nominee. With respect to notice of a proposed item of business, the bylaws provide that the notice must include a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and certain information regarding the shareholder giving the notice. Shareholders may obtain a copy of the Company's bylaws by sending a written request to the Secretary of the Company at the Company's principal executive offices.

Shareholders may contact an individual director, the Board of Directors as a group, or a specified committee or group, at the Company's headquarters address. Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Company will initially receive and process communications before forwarding them to the addressee. The Company generally will not forward to the directors a shareholder communication that it determines to be primarily commercial in nature or relates to an improper or irrelevant topic, or that requests general information about the Company. The Company knows of no other business that will be presented at the Annual Meeting. If any other business is properly brought before the Annual Meeting, it is intended that proxies in the enclosed form will be voted in accordance with the judgment of the persons voting the proxies. Whether or not you intend to be present at the Annual Meeting, we request you to return your signed proxy promptly.

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By Order of the Board of Directors,

/s/ David H. Scott

David H. Scott, Corporate Secretary

Redding, California
April 4, 2005

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Appendix A

Audit Committee Charter

Purpose

The Audit Committee is appointed by the Board of Directors to assist in monitoring the (1) integrity of the financial statements of the Company, (2) the independent auditors' qualifications and independence, (3) the performance of the Company's internal audit function and independent auditors, and (4) the compliance by the Company with legal and regulatory requirements.

The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

Role and Independence

The membership of the committee shall consist of at least three directors who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise construed to be a financial expert. By definition, the audit committee financial expert is an individual who is determined by the board of directors to possess all of the following attributes:

An understanding of financial statements and generally accepted accounting principles (GAAP)

An ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves

Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to what can be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities

An understanding of internal controls and procedures for financial reporting

An understanding of audit committee functions

The final rule for audit committee financial experts indicates that the attributes may be acquired by:

Education and experience as a principal financial officer, principal accounting officer, controller, public accountant, or auditor, or experience in one or more positions that involve the performance of similar functions

Experience actively supervising a principal financial officer, controller, public accountant, auditor, or person performing similar functions, or experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing, or evaluation of financial statements.

The members of the Audit Committee shall meet the independence and experience requirements of the NASDAQ National Market stock exchange, Section 10A(m)(3) of the Securities and Exchange Commission Act of 1934 and the rules and regulations of the commission. Each member shall be free of any relationship that, in the opinion of the board, would interfere with his or her individual exercise of independent judgment, and shall meet the director independence requirements for serving as set forth in the corporate governance standards of the NASDAQ.

The committee is expected to maintain free and open communication (including private executive sessions at each meeting) with the independent accountants, the internal auditors and the management of the Company. The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal,

accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

The Board of Directors shall appoint the audit committee financial expert as chairperson. In addition to the professional requirements, this person plays a pivotal role in Audit Committee effectiveness. He or she will be responsible for the leadership of the committee, including preparing the agenda, presiding over meetings, making committee assignments, and reporting to the Board of Directors. The chairperson will also maintain regular liaison with the President, Director of Risk Management, Chief Financial Officer, and the lead Independent Audit Partner.

Responsibilities

The Audit Committee's primary responsibilities include:

The Audit Committee shall have the sole authority to appoint or replace the independent auditor (subject, if available, to shareholder ratification.) In doing so, the committee will request from the auditor a written affirmation that the auditor is in fact independent, discuss with the auditor any relationships that may impact the auditor's independence, and recommend to the board any actions necessary to oversee the auditor's independence.

Overseeing the independent auditor relationship by discussing with the auditor the nature and rigor of the audit process, receiving and reviewing audit reports, and providing the auditor full access to the committee (and the board) to report on any and all appropriate matters.

The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms) to be performed for the Company by its independent auditor,

The Audit Committee shall oversee management's annual assessment of, and report on, the company's internal control over financial reporting.

The Audit Committee shall make regular reports to the Board of Directors. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval. The Audit Committee shall annually review the Committee's own performance.

The Audit Committee shall:

Financial Statement and disclosure matters

Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and approve the filing of such documents with the SEC. Recommend the acceptance of the annual audited financial statements as the annual Directors examination.

Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.

Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of financial principles, any major issues as to the adequacy of the Company's

internal controls and any special steps adopted in light of material control deficiencies.

Discuss with management the Company's earnings press releases, including the use of pro forma or adjusted non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made.)

Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

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Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

Discuss with the Independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Review disclosures made to the Audit Committee by the Company's CEO and CFO during the certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Oversight of the Company's Relationship with the Independent Auditor

Review and evaluate the lead partner of the independent audit team.

Obtain and review a report from the independent auditor, at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board of Directors.

Ensure the rotation of the audit partners as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

The Audit Committee recommends prohibiting the auditor from acting as a director, officer, or employee of the Company, or performing any decision-making, supervisory, or ongoing monitoring function for the Company for a cooling off period of one year from the date of engagement.

Oversight of the Company's Internal Audit Function

Review the appointment and replacement of the Director of Risk Management.

Review the significant reports to management prepared by the internal auditing department and management's response.

Discuss with the independent auditor and management the internal audit responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

Compliance Oversight Responsibilities

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Obtain reports from management, the Director of Risk Management and the independent auditor that the Company and its affiliated entities are in conformity with applicable legal requirements and the Company's Code of Ethics and Conflict of Interest.

Review reports and disclosures of insider and affiliated party transactions. Advise the Board of Directors with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations with the Company's Code of Ethics and Conflict of Interest.

Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

Discuss with the Company's counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

It is the policy of the Board of Directors that a system of internal controls be maintained sufficient to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reasonable, detailed records are maintained which accurately reflect the financial activities.

To monitor the effectiveness of the system of internal controls, the Board of Directors established an audit and review policy as follows:

Audit and Review – Certified Public Accounting Firm

It is the policy of the Board of Directors to engage a qualified certified public accounting firm to conduct a full audit of financial statements at least once annually. This will constitute the annual Director examination. Credit quality reviews, Compliance reviews and Operational reviews are regularly scheduled to support the audit and may be performed by parties other than the certified public accounting firm selected to conduct the financial statement audit.

Audit and Review – In House

The Board of Directors recognizes that it is not necessary and may not be economically feasible for the Bank to employ a full time internal auditor until the bank achieves a certain size and complexity. However, the Board of Directors may elect to have an outside auditor perform audits of operational and compliance policies and procedures and an outside auditor to perform an independent loan review for credit quality, compliance, documentation and appropriate grading.

Although outside consultants, these auditors will be considered our In-house auditors. The Board of Directors will outline the scope of the audits on an annual basis, and will communicate the scope directly with the independent auditors.

The Audit Committee may consult with and have the Company's Certified Public Accountants review the scope and work papers of the in-house auditors, and make a recommendation to the Board of Directors as to the need to employ a full time internal auditor.

Examination and Review – Regulatory Agencies

It is the policy of the Board of Directors that results from examinations and audits conducted by Regulatory Agencies such as the Department of Financial Institutions, Federal Reserve Board and the FDIC are fully disclosed to the Board of Directors. Further, it is Board policy that at least three representatives from the Board of Directors will be included in the exit review conducted by regulatory personnel with the management of the Company.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this charter, it is reinforced that such duties include the oversight, scheduling and review of such work and it is not the duty of the Audit Committee to *conduct* audits or to determine whether the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Appendix B

Nominating and Corporate Governance Committee Charter

Committee mission statement

The Committee acts on behalf of the RBC Board of Directors in the best interests of the Corporation and its shareholders with regard to the identification of individuals qualified to become Board members, selecting or recommending to the Board that the Board select the director nominees, including for the next annual meeting of shareholders, and providing guidance on board and corporate governance issues including recommending to the Board corporate governance guidelines applicable to the Corporation.

Organization

Members of the Committee are appointed by and serve at the pleasure of the Board of Directors. The members of the Nominating and Corporate Governance Committee shall be independent directors as determined in accordance with the laws, rules and regulations of the NASDAQ stock exchange and shall also comply with and satisfy all other applicable laws, rules, regulations and requirements. The Chairman of the Nominating and Corporate Governance Committee shall be elected annually by the Board of Directors.

The Committee shall conduct and review with the Board of Directors annually an evaluation of the committee's performance with respect to the requirements of this Nominating and Corporate Governance Charter.

The Committee shall have sole authority to employ professional advisers in fulfilling its duties. Advisers include, but are not limited to, search professionals, compensation consultants, and attorneys. The Committee shall have sole authority to approve fees, establish retention terms, and terminate such advisers.

Purpose

The purpose of the Nominating and Corporate Governance Committee is to 1) identify individuals qualified to serve on the Board of Directors and to recommend that the Board of Directors select director nominees to be considered at the Company's next annual meeting of shareholders or to be appointed by the Board of Directors to fill an existing or newly created vacancy on the Board of Directors, 2) identify members of the Board of Directors to serve on each board committee and to serve as chairman thereof and recommend each such member and chairman to the Board of Directors, 3) develop and revise as appropriate Corporate Governance Guidelines applicable to the Company and recommend such guidelines to the Board of Directors, 4) oversee management's annual assessment of, and report on, the company's internal control over financial reporting, 5) oversee the evaluation by the Board of Directors of itself and its committees, 6) identify individuals to serve as executive officers of the Company and recommend such individuals to the Board of Directors and 6) review with the Chief Executive Officer matters of management succession.

Meetings

The Nominating and Corporate Governance Committee shall meet as often as it deems necessary or appropriate to carry out its responsibilities, no less than annually, and may, in its sole discretion, form and delegate authority to subcommittees (comprised only of Nominating and Corporate Governance Committee members) in furtherance of such responsibilities. Meetings of the Nominating and Corporate Governance Committee shall be called by the Chairman of the Nominating and Corporate Governance Committee or the Chairman of the Board. All such meetings shall be held pursuant to the by-laws of the Company with regard to notice and waiver thereof, and written minutes of each such meeting shall be duly filed in the Company's records.

Powers and Responsibilities

The Nominating and Corporate Governance Committee shall:

1. Actively seek to identify individuals qualified to serve on the Board of Directors and to recommend that the Board of Directors select director nominees to be considered for election at the Company's next annual meeting of shareholders or to be appointed by the Board of Directors to fill an existing or newly created vacancy on the Board of Directors in accordance with Board membership criteria set forth in the Company's corporate governance guidelines. The Committee shall also consider written proposals for director nominees received from shareholders in accordance with the Company's corporate governance guidelines and by-laws.
2. The Committee shall develop specific criteria to define what minimum qualifications are required to serve on the Board of Directors.
3. Identify qualified members of the Board of Directors to serve on each board committee and to serve as chairman thereof and recommend each such member and chairman to the Board of Directors. In addition, the Nominating and Corporate Governance Committee may designate a member of such committee to attend the meetings of any other Board committee *ex-officio* with the concurrence of the chairman of such other committee.
4. Develop corporate governance guidelines applicable to the Company and recommend such guidelines or revisions of such guidelines to the Board of Directors. All guidelines shall be reviewed at least annually.
5. Review at least annually, the nominating and corporate governance charter and executive compensation charter of the Board of Directors and, when necessary or appropriate, recommend changes in such charters to the Board of Directors.
6. Conduct the annual peer review of the Board of Directors, itself, and its committees.
7. Review with the Chief Executive Officer matters relating to management succession.
8. Identify individuals to serve as executive or corporate officers of the Company and recommend such individuals to the Board of Directors.
9. Monitor the development of best practices regarding corporate governance and take a leadership role in shaping the corporate governance of the Company.

Bank of Commerce Holdings
This proxy is solicited on behalf of the Board of Directors.

The undersigned acknowledges receipt of a copy of the Notice of Annual Meeting of Shareholders of Bank of Commerce Holdings and the accompanying Proxy Statement dated April 4, 2005 and revoking any proxy heretofore given, hereby constitute(s) and appoint(s) Harry L. Grashoff, Jr. and Michael C. Mayer, and each of them with full power of substitution, as attorney and proxy of the undersigned, to attend the 2005 Annual Meeting of Shareholders of Bank of Commerce Holdings to be held at 5:00p.m. on May 17, 2005, in the lobby of Redding Bank of Commerce located at 1951 Churn Creek Road, Redding, California, and any adjournment or postponement thereof, and to vote the number of shares the undersigned would be entitled to vote if personally present as indicated on the reverse.

(Continued, and to be marked, dated and signed, on the other side)
Fold and Detach Here

This proxy when properly executed will be voted in the manner, directed by the undersigned shareholder. If no direction is made, this proxy will be voted for all nominees listed under Item 1 and in favor of Item 2.

The Board of Directors recommends a vote FOR Items 1 and 2 below.

ELECTION OF DIRECTORS

- | | | |
|---|----------------------------|----------------------|
| o For all nominees listed to the left
(except as marked to the contrary) | 01 Welton L. Carrel | 07 Eugene L. Nichols |
| | 02 Russell L. Duclos | 08 David H. Scott |
| | 03 John C. Fitzpatrick | 09 Lyle L. Tullis |
| o WITHHOLD AUTHORITY to
vote for
all nominees | 04 Kenneth R. Gifford, Jr. | |
| | 05 Harry L. Grashoff, Jr. | |
| | 06 Michael C. Mayer | |

**RATIFICATION OF THE
APPOINTMENT OF MOSS
ADAMS, LLP AS THE
COMPANY S INDEPENDENT
AUDITORS**

**IF YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE
CHECK THIS BOX**

- | | |
|---|------------------|
| o FOR | o PLAN TO ATTEND |
| o AGAINST | |
| o ABSTAIN If you abstain from voting, it has no effect on the outcome of this proposal. | |

(INSTRUCTION: To withhold authority to vote for any individual nominee, cross out that nominee s name listed above.)

1. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting and any adjournment or postponement thereof.

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2. Please sign exactly as the name appears herein. When Shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, Trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership please sign in partnership name by authorized person.

**PLEASE MARK, SIGN, DATE AND
RETURN THE PROXY PROMPTLY
USING THE ENCLOSED ENVELOPE.**

Signature

Signature

Date: _____, 2005

Fold and Detach Here and Read the Reverse Side

Vote by telephone
Quick ** Easy ** Immediate

Your vote is important! You can vote in one of two ways:

- 1. TO VOTE BY PHONE:** Call toll-free **1-800-840-1208** on touch-tone telephone 24-hours a day 7 days a week. There is **NO CHARGE** to you for this call. Have your proxy card in hand.

You will be asked to enter a Control Number, which is located in the box in the lower right hand corner of this form.

Option 1: To vote as the Board of Directors recommends on **ALL** proposals, press 1.

Proposal 1 To vote **FOR ALL** Nominees, Press 1; to **WITHHOLD FOR ALL** nominees, press 9, to **WITHHOLD FOR AN INDIVIDUAL** nominee, press 0 and listen to the instructions.

When asked, please confirm by pressing 1.

The instructions are the same for all remaining proposals.

Or

- 2. VOTE BY PROXY:** Mark, sign and date your proxy card and return promptly in the enclosed envelope.

NOTE: If you vote by telephone, **THERE IS NO NEED TO MAIL BACK** your Proxy Card.