



NOMINATING COMMITTEE CHARTER

Purpose

The Nominating Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Federated National Holding Company (the “Company”) to:

- Identify qualified candidates to become Board members.
- Select, or recommend to the Board, the director nominees for each annual meeting of shareholders or special meeting of shareholders at which directors are to be elected.

Committee Membership

The Committee will be composed not less than two directors, all of whom satisfy the definition of “independent” under the listing standards of The Nasdaq Stock Market, Inc. (“Nasdaq”).

The Committee members will be appointed by the Board and may be removed by the Board in its discretion. If the Board does not designate the chairperson, the members of the Committee shall designate the chairperson by majority vote. The chairperson shall chair all meetings of the Committee and set the agendas for Committee meetings. In the event of a tie vote on any issue, the chairperson’s vote shall decide the issue.

Meetings

The Committee shall meet as often as its members deem necessary to perform the Committee’s responsibilities.

Committee Authority and Responsibilities

The Committee will make regular reports to the Board and will propose any necessary action to the Board. The Committee will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Committee’s performance will be evaluated within the Self Evaluation that will be performed annually by the Board.

The Committee, to the extent it deems necessary or appropriate, will:

- Establish criteria for the selection of new directors to serve on the Board.
- Identify and evaluate candidates to serve on the Board, and select, or recommend to the Board, the candidates for all directorships to be filled by the Board or by the shareholders at an annual or special meeting. In identifying candidates for membership on the Board, the Committee shall take into account all factors it considers appropriate, which include:
 - Ensuring that the Board as a whole is diverse and consists of individuals with varied and relevant career experience, relevant technical skills, industry



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- knowledge and experience, financial expertise (including expertise that could qualify a director as a “financial expert,” as that term is defined by the rules of the Securities and Exchange Commission), and local or community ties.
- Minimum individual qualifications, including strength of character, mature judgment, familiarity with the Company’s business and industry, independence of thought and an ability to work collegially.
 - Recommending to the Board any changes to the minimum individual qualifications for nomination to the Board as may be necessary or advisable to address changes in applicable laws, rules and regulations.
 - The Committee will also consider the extent to which the candidate would fill a present need on the Board.
 - Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates.
 - In the case of a director nominated to fill a vacancy on the Board due to an increase in the size of the Board, recommend to the Board the class of directors in which the director-nominee should serve.
 - Evaluate candidates for nomination to the Board, including those recommended by shareholders. In that connection, the Committee shall adopt, and periodically review and update, procedures for the submission of recommendations by shareholders as it deems appropriate.
 - Review and make recommendations to the full Board whether members of the Board should stand for re-election.

The Committee shall have the resources reasonably necessary and appropriate to discharge its responsibilities, including the authority to select and retain counsel or other experts or consultants, as it deems appropriate. The Company shall provide for appropriate funding, as determined by the Committee, for payment of the fees and expenses of any counsel, experts or consultants engaged by the Committee.

The Committee may, in its discretion but only to the extent consistent with applicable law and regulations, form and delegate certain of its responsibilities to a subcommittee. The Committee may not delegate any of its responsibilities to persons who are not members of the Committee.