



NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

This Nominating and Corporate Governance Committee Charter (this “*Charter*”) sets forth the purpose and membership requirements of the Nominating and Corporate Governance Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Hilltop Holdings Inc. (the “*Company*”) and establishes the authority and responsibilities delegated to it by the Board.

1. Purpose

The purpose of the Committee shall be (i) to identify, screen and recommend to the full Board individuals qualified to serve as directors of the Company and on committees of the Board, (ii) to advise the Board with respect to the composition, procedures and committees of the Board, (iii) to advise the Board with respect to the corporate governance principles applicable to the Company, and (iv) to oversee the evaluation of the Board and the Company’s management.

2. Committee Members

The Committee shall be comprised of three or more directors, each of whom shall qualify as an independent director (each, individually, an “*Independent Director*” and collectively, “*Independent Directors*”) in accordance with the rules of the New York Stock Exchange (the “*NYSE*”). Each member of the Committee shall be qualified to serve on the Committee pursuant to, and the composition of the Committee shall comply with, such other requirements of the NYSE and any additional requirements that the Board deems appropriate. The members of the Committee shall be elected annually to one-year terms by majority vote of the Board. The chairperson of the Committee shall be designated by the Board.

Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy with directors who qualify as Independent Directors. No member of the Committee shall be removed except by majority vote of the Independent Directors of the full Board then in office.

3. Meetings

The Committee shall meet as provided by its rules, which shall be at least four times annually or more frequently as circumstances require. The chairperson of the Committee, or a majority of the members of the Committee, may also call a special meeting of the Committee.

A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The act of a majority of the members of the Committee present, either in person or by telephone, shall be the act of the Committee. The Committee shall maintain minutes of its meetings and records relating to those meetings, which minutes shall be maintained with the books and records of the Company.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard of the NYSE to be exercised by the Committee as a whole.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.

4. Duties and Responsibilities of the Committee

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best address, react or respond to changing circumstances or conditions. The following are within the authority of the Committee and the Committee shall, consistent with and subject to applicable law and rules and regulations promulgated by the SEC, the NYSE or any other applicable regulatory authority:

4.1 Board Candidates and Nominees

The Committee shall have the following goals and responsibilities with respect to candidates and nominees for the Board:

- To identify, screen and, if appropriate, interview individuals qualified to become members of the Board, consistent with criteria set forth in Company's Corporate Governance Guidelines and described below. The Committee shall consider any director candidates recommended by the Company's stockholders pursuant to the procedures set forth in the Company's bylaws and described in the Company's proxy statement.
- To establish procedures for evaluating the suitability of potential director nominees proposed by management or stockholders.
- To review the background and qualifications of individuals being considered as candidates for the Board.
- To make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted for election by the Company's stockholders at the annual meeting of stockholders or appointment by the Board, as the case may be, pursuant to the bylaws of the Company, which recommendations shall be consistent with the Board's criteria for selecting new directors. Such criteria include the possession of such knowledge, experience, skills, expertise and diversity so as to enhance the Board's ability to manage and

direct the Company's affairs and business, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties and/or to satisfy any independence requirement imposed by law, regulation or listing standard of the NYSE and the current size and composition of the Board.

- To review the suitability for continued service as a director of each member of the Board when his or her term expires or when he or she has a change in status, including, but not limited to, an employment change, and to recommend whether or not the director should be re-nominated.

4.2 Board Composition and Procedures

The Committee shall have the following goals and responsibilities with respect to the composition and procedures of the Board as a whole:

- To review annually with the Board the composition of the Board as a whole and to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of Independent Directors required by the listing standards of the NYSE.
- To review periodically the size of the Board and recommend to the Board any appropriate changes.
- To make recommendations on the frequency and structure of meetings of the Board.
- To make recommendations concerning any other aspect of the procedures of the Board that the Committee considers warranted, including, but not limited to, procedures with respect to the waiver by the Board of any rule, guideline, procedure or corporate governance principle of the Company.

4.3 Committees of the Board

The following shall be the goals and responsibilities of the Committee with respect to the structure of committees of the Board:

- To make recommendations to the Board regarding the size and composition of each standing committee of the Board, including the identification of individuals qualified to serve as members of a committee, including the Committee, and to recommend individual directors to fill any vacancy that might occur on a committee, including the Committee.

- To monitor the functioning of the committees of the Board and to make recommendations for any changes, including the creation and elimination of committees.
- To review annually assignments to committees of the Board and the policy with respect to the rotation of memberships and/or chairpersonships on the committees of the Board and report any recommendations to the Board.
- To recommend that the Board establish such special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise. The Committee's power to make such a recommendation under this Charter shall be without prejudice to the right of any other committee of the Board, or any individual director, to make such a recommendation at any time.

4.4 Corporate Governance

The following shall be the goals and responsibilities of the Committee with respect to corporate governance:

- To develop and review periodically, and at least annually, the corporate governance principles adopted by the Board to assure that they are appropriate for the Company and comply with the listing standards of the NYSE and to recommend any desirable changes in the Company's Corporate Governance Guidelines to the Board.
- To consider any other corporate governance issues that arise from time to time and develop appropriate recommendations for the Board.

4.5 Evaluation of the Board and Management

The Committee shall be responsible for developing and overseeing the evaluation of the Board and the management of the Company, including the Chief Executive Officer, and shall evaluate and report to the Board on the performance and effectiveness of the Board periodically, and at least annually. The Committee shall establish procedures to allow it to exercise this oversight function.

5. Evaluation of the Committee

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend to the Board such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the



adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a written report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

6. Investigations and Studies; Outside Advisors

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and in doing so, shall have direct, independent and confidential access to the Company's other directors, management and personnel in order to carry out the Committee's purpose. The Committee may retain, at the Company's expense, such independent counsel or other advisors as it deems necessary. The Committee shall have the sole authority to retain or terminate a search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms, which fees shall be borne by the Company.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under the applicable laws of Maryland that shall continue to set the legal standard for the conduct of the members of the Committee.

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Last Updated: February 26, 2015