

**MERGER AND ACQUISITION COMMITTEE CHARTER
OF
THE BOARD OF DIRECTORS
OF
HILLTOP HOLDINGS INC.**

Purpose:

The purpose of the Merger and Acquisition Committee (the “Committee”) of the Board of Directors of Hilltop Holdings Inc. (the “Company”) shall be to review potential mergers, acquisitions or dispositions of material assets or a material portion of any business (“Major Transactions”) proposed by management of the Company and to report its findings and conclusions to the Board of Directors of the Company, as appropriate.

Committee Membership:

Number. The members of the Committee will be appointed by, and serve at the discretion of, the Board of Directors of the Company. The Committee will consist of at least three members, all of whom shall qualify as independent directors under the listing standards of the NYSE and any additional requirements that the Board of Directors deems appropriate. The members of the Committee shall be determined from time to time by resolution of the Board of Directors of the Company. Vacancies on the Committee shall be filled by majority vote of the Board of Directors at the next meeting of the Board of Directors following the occurrence of the vacancy.

Chairman. The Board of Directors of the Company may designate a Chairman of the Committee (the “Chairman”). In the absence of such designation, the Committee may designate the Chairman by majority vote of the members of the Committee. From time to time, the Chairman may establish such other rules as are necessary and proper for the conduct of the business of the Committee.

Committee Responsibilities and Authority:

The Committee shall, unless presented directly to the Board of Directors of the Company:

- Periodically review the acquisition strategies proposed by management;
- Review with management any potential Major Transaction and how the Major Transaction fits within the Company’s strategic plans and acquisition strategy;
- Review with the Board of Directors of the Company the Committee’s recommendations with respect to any Major Transaction;
- Provide the Board of Directors of the Company with such additional information and material as it may deem necessary to make the Board of Directors of the Company aware of any potential Major Transaction that requires the attention of the Board of Directors;
- After the consummation of a Major Transaction, review with management of the Company the integration of the acquired business and assess the relative success of the Major Transaction;

- As appropriate, in its sole discretion, obtain advice and assistance from outside legal, financial or other advisors and approve, in its sole discretion, the consultant's fees and other retention terms, which fees shall be borne by the Company;
- Perform or obtain an annual review of the Committee's performance and make applicable recommendations; and
- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors of the Company for approval.

In addition, the Committee will undertake such other duties as the Board of Directors of the Company may, from time to time, prescribe to the Committee.

Meetings:

The Committee will convene periodically, as necessary, but in any event not less than one time per year, to act upon any matter within its jurisdiction. A majority of the total members of the Committee shall constitute a quorum for the transaction of business at any Committee meeting. All meetings shall be held subject to, and in accordance with, the Bylaws of the Company, as in effect at the time. The vote of a majority of the members of the Committee present either in person, or by telephone, shall be the act of the Committee.

Minutes:

The Committee will maintain written minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board of Directors of the Company.

Reports:

The Committee will periodically report on its activities to the Board of Directors, as may be appropriate, consistent with this Charter.

Compensation:

Members of the Committee shall receive such fees, if any, for their service as members of the Committee as may be determined, from time to time, by the Board of Directors of the Company in its sole discretion. Such fees may include, without limitation, retainers and/or per meeting fees. Fees may be paid in such form of consideration as determined by the Board of Directors of the Company.

Other:

In fulfilling his or her responsibility, each member of the Committee is entitled to rely in good faith upon the Company's records and upon information, opinions, reports or statements presented by any of the Company's officers or employees, or by any other person as to matters the member reasonably believes are within such other persons professional or expert competence and who has been selected with reasonable care by, or on behalf of, the Company. Each member of the Committee also may rely in good faith upon actions taken by other committees of the Board of Directors of the Company as committed to such committees under the resolutions and other directives of the Board of Directors of the Company. 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 it be construed as creating, any other liability or duty.