

**FNBH BANCORP, INC.**

**CHARTER OF THE NOMINATING AND  
CORPORATE GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
(As Approved December 2016)**

**I. Purpose**

The primary function of the Nominating and Corporate Governance Committee (the "Governance Committee") is to assist the Board of Directors by (1) establishing qualifications and standards to serve as a director of the Company, (2) identifying and recommending individuals qualified to become directors of the Company, and (3) developing, recommending and reviewing corporate governance standards and policies for the Company.

**II. Membership**

- A. Independence—The Governance Committee shall be comprised of three or more members, each of whom must qualify as independent directors ("Independent Directors") under the NASDAQ listing requirements, and such additional standards that the Governance Committee may establish.
- B. Appointment—The members shall be nominated by the Governance Committee and appointed annually to one-year terms by the Board. The Governance Committee shall recommend, and the Board shall designate, one member of the Governance Committee as Chair.
- C. Removal. Members may be removed by the Board.

**III. Meetings and Procedures**

Meetings of the Governance Committee shall be subject to the committee procedure rules set forth in the Company's Bylaws and its own rules of procedure, which shall be consistent with those Bylaws and the following:

- A. The Governance Committee shall meet at least once annually and more frequently as circumstances require.
- B. Following each of its meetings, the Governance Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Governance Committee.
- C. The Governance Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

#### **IV. Responsibilities and Duties**

The Governance Committee shall have the following duties and responsibilities:

##### **A. Board Composition—Standards and Needs**

1. Review the composition and size of the Board in order to ensure the Board has the proper expertise and independence.
2. Determine the criteria for selection of the Chairman, Board members and Board committee members.
3. Develop and recommend Board policies on term limits and/or service requirements for Board members.
4. Plan for continuity on the board as existing Board members retire or rotate off the Board.
5. Establish criteria for qualification as an Independent Director, consistent with laws and listing standards.

##### **B. Board Composition—Nominations**

1. Maintain an active file of suitable candidates for consideration as nominees to the Board, consistent with the standards and policies adopted under Section IV(A) above. In compiling the file, the Governance Committee shall consider, where appropriate, the candidate's qualification as an "Independent Director."
2. Conduct director evaluations upon renomination for election at least every three years.
3. Establish procedures for accepting and responding to Board nominations made by shareholders.
4. Review any Board candidates recommended by shareholders and compliance with all director nomination procedures for shareholders.
5. Recommend to the Board the slate of nominees of directors to be elected by the shareholders and any directors to be elected by the Board to fill vacancies. Recommendations should include a review by the Governance Committee of the performance and contribution of fellow directors as well as the qualifications of proposed new directors.

C. Evaluation of the Board and Management Succession

1. Sponsor and oversee performance evaluations for the Board as a whole, which shall be done at least every three (3) years.
2. Develop, recommend and review the Company's (a) orientation program for new directors, and (b) continuing education program for incumbent directors.
3. Annually review succession plans for the CEO and other key management positions.

D. Recommendations on Committee Memberships

1. With the Chairman, periodically review committee charters, the composition of each Board committee and make recommendations to the Board for (a) the creation of additional Board committees, (b) dissolution of Board committees, (c) changes in mandate of a committee, or (d) recommendations on persons to be members of Board committees.
2. Ensure that each Board Committee is comprised of members suitable for the tasks of the Committee and that each Committee conducts the required number of meetings and makes sufficient reports to the Board on its activities and findings.

E. Corporate Governance Matters

1. Recommend to the Board policies to enhance the Board's effectiveness, including the frequency and structure of Board meetings.
2. Develop and review periodically, and at least annually, the corporate governance policies of the Company to ensure that they are appropriate for the Company and comply with applicable laws, regulations, listing standards and to recommend any changes to the Board.
3. Review periodically the Articles of Incorporation and Bylaws of the Company and recommend to the Board changes thereto in respect of good corporate governance and fostering shareholder rights.
4. Review the procedures and communication plans for shareholder meetings to ensure that the rights of shareholders are fully protected.
5. Consider any other corporate governance issues that arise from time to time, and to develop appropriate recommendations for the Board.

F. Conflicts and Other Directorships

1. Review directorships and agreements of Board members for conflicts of interest.
2. Examine and, if appropriate, clear actual and potential conflicts of interest a Board member may have, and issue to a Board member having an actual or potential conflict of interest instructions, on how to conduct himself/herself in matters before the Board which may pertain to that conflict.