

PALOMAR HOLDINGS, INC.

**CHARTER OF
THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS**

I. STATEMENT OF POLICY

The Nominating and Corporate Governance Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Palomar Holdings, Inc. (the “**Company**”), has the responsibility and authority to (i) identify individuals qualified to become Board members consistent with criteria approved by the Board; (ii) select, or recommend to the Board, director nominees for each election of directors consistent with the Company’s director qualifications criteria and any obligations under its contractual obligations; (iii) develop and recommend to the Board criteria for selecting qualified director candidates; (iv) consider committee member qualifications, appointment and removal; (v) recommend corporate governance principles and a code of conduct applicable to the Company; and (vi) provide oversight in the evaluation of the Board and each committee.

II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS

The Committee shall consist of three (3) or more directors, each of whom shall satisfy the applicable independence requirements of the Company’s corporate governance guidelines, The Nasdaq Stock Market (the “**Exchange**”) and any other applicable regulatory requirements. Notwithstanding the foregoing, the members of the Committee shall not be required to meet the independence requirements of the Exchange during any period in which the Company is a “controlled company” within the meaning of the Exchange’s listing standards, unless the Board otherwise determines not to rely on the Exchange’s “controlled company” exemption. If the Company ceases to be a “controlled company” or the Board determines not to rely on the Exchange’s “controlled company” exemption, the members of the Committee shall meet the independence requirements of the Exchange within the periods required by the Exchange’s phase-in rules applicable to companies who cease to be “controlled companies.” At least one (1) member of the Committee shall have experience in matters relating to corporate governance, either as a professional or as a business executive.

Each member of the Committee shall serve until his or her successor is duly elected and qualified or until such member’s earlier resignation, removal or death. Any member of the Committee may be removed or replaced by the Board at any time. Unless a chairman is elected by the full Board, the members of the Committee may designate a chairman by majority vote of the full Committee membership. The Chair shall preside at all regular meetings of the Committee and set the agenda for each Committee meeting.

In fulfilling its responsibilities, the Committee shall, to the extent permitted by law, be entitled to delegate any or all of its responsibilities to one or more subcommittees of the Committee comprised of at least two (2) members of the Committee.

The Committee shall have the authority to obtain advice or assistance from consultants, legal counsel, accounting or other advisors as appropriate to perform its duties hereunder, and to determine the terms, costs and fees for such engagements. Without limitation, the Committee shall have the sole authority to retain or terminate any search firm to be used to identify director candidates and to determine and approve the terms, costs and fees for such engagements. The fees and costs of any consultant or advisor engaged by the Committee to assist the Committee in performing its duties hereunder shall be borne by the Company.

III. MEETINGS

The Committee shall meet at least four times per year on a quarterly basis or as often as it deems necessary to fulfill its responsibilities hereunder and may meet with management or individual directors at such time as it deems appropriate to discuss any matters before the Committee. The Committee may request that any employee of the Company attend any of its meetings or meet with any Committee member or consultant. The Committee shall meet periodically in executive session without the presence of management.

Formal action to be taken by the Committee shall be by unanimous written consent or by the affirmative vote of at least a majority of the members present (in person or by telephone conference call) at a meeting at which a quorum is present. A quorum shall consist of at least a majority of the members of the Committee. Any actions taken by the Committee during any period in which one or more of the members fail for any reason to meet the membership requirements set forth above shall still constitute duly authorized actions of the Committee for all corporate purposes.

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

IV. COMMITTEE AUTHORITY AND RESPONSIBILITY

The Committee shall have the following authority and responsibilities, subject to such modification and additional authority as the Board may approve from time to time:

A. Nominating and Corporate Governance Functions

1. Develop and recommend to the Board for approval the criteria for Board membership, including (i) any specific minimum qualifications that it believes must be met by a nominee for a position on the Board; (ii) any specific qualities or skills that it believes are necessary for one or more of the Board members to possess and (iii) the desired qualifications, expertise, experience and characteristics of Board members, with the goal of developing an experienced and highly qualified Board, and periodically review these qualifications with the Board. The criteria shall include independence, diversity of experience, demonstrated leadership, and the ability to exercise sound judgment. The backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities that shall assist the Board in fulfilling its responsibilities.
2. Identify individuals qualified to become members of the Board in a manner consistent with the criteria approved by the Board and recommend to the Board the director nominees for the next annual meeting of shareholders or to fill vacancies on the Board. As part of its formal review of directors, the Committee shall consider all factors which it deems appropriate, including director performance, any other directorships held by the director, whether the director undertook continuing director education and any other criteria approved by the Board. In identifying and reviewing the qualifications of candidates for membership on the Board, the Committee shall consider all factors which it deems appropriate, including the requirements of the Company's corporate governance guidelines and any other criteria approved by the Board.
3. Develop and periodically assess the Company's policies and procedures with respect to the consideration of director nominees submitted by shareholders of the Company and review the qualifications of such candidates pursuant to these policies and procedures.
4. Review and make recommendations to the Board with respect to any directors who are invited to serve on the board of directors of another public company or who change the role, position or areas of responsibility with another company that they held when they were elected to the Board, including making recommendations to the Board as to whether the director should cease holding the potentially conflicting position with another company.
5. Review and make recommendations to the Board with respect to any actual or potential conflict of interest involving a director or other circumstances that may adversely reflect upon a director, unless such actual or potential conflict of interest involves a related party transaction including, but not limited to, (i) requesting that the director should cease the conflicting activity or (ii) requesting that the director submit his or her resignation from the Board if continuing service on the Board is not consistent with the criteria deemed necessary for continuing service on the Board.

6. Review and make recommendations to the Board with respect to the size, composition and organization of the Board and committees of the Board.
7. Review and make recommendations to the Board with respect to Board process, including the calendar, agenda and information requirements for meetings of the Board and its committees, executive sessions of non-management directors and executive sessions of independent directors.
8. Assist the Board in determining whether individual directors have material relationships with the Company that may interfere with their independence, as provided under the requirements of the Company's corporate governance guidelines, the Exchange or any other applicable regulatory requirements.
9. Review and recommend to the board of directors for approval the compensation of non-executive directors for their service to the board of directors.
10. Develop and recommend to the Board for approval a chief executive officer and executive officer succession plan (the "**Succession Plan**"), develop and recommend to the Board for approval an interim chief executive officer succession plan in the event of an unexpected occurrence and, as the Committee deems appropriate, to review the Succession Plan from time to time with the chief executive officer and any other executive officers and recommend to the Board for approval any changes to, or candidates for succession under, the Succession Plan.
11. Oversee the annual evaluation of the Board and its committees.
12. Develop, review and assess the adequacy of the Company's corporate governance principles and guidelines annually and recommend to the Board any changes the Committee deems appropriate.
13. Develop and maintain the Company's orientation programs for new directors and continuing education programs for directors.
14. Review and discuss as appropriate with management the Company's disclosures relating to director independence, governance and director nomination matters and, based on such review and discussion, determine whether to recommend to the Board that such disclosures be disclosed in the Company's Annual Report on Form 10-K or annual proxy statement filed with the SEC, as applicable.
15. Report regularly to the Board.
16. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Committee or the Board deems appropriate.

B. *Annual Review*

The Committee shall review on at least an annual basis this Charter, the scope of responsibilities of the Committee and the Committee's performance of its duties. Any proposed changes to this Charter or the scope of responsibilities of the Committee, where indicated, shall be referred to the Board of appropriate action.

V. **RESOURCES**

The Committee shall have the authority, at its sole discretion, to retain and terminate search firms to identify director candidates, consultants and any other advisors (the "**Advisors**") to assist it in carrying out its duties. The chairperson of the Committee, at the request of any member of the Committee, may request any officer, employee or advisor of the Company to attend a meeting of the Committee or otherwise respond to Committee requests.

The Committee shall have the sole authority to determine the terms of engagement and the extent of funding necessary (and to be provided by the Company) for payment of compensation to any Advisor retained to advise the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.