

HCC INSURANCE HOLDINGS, INC.

Charter of the Nominating and Corporate Governance Committee of the Board of Directors

Purpose and Responsibility

The Nominating and Corporate Governance Committee (the “Committee”) exists to identify qualified candidates to become members of the Board of Directors (the “Board”), consistent with the criteria approved by the Board, and to select, or to recommend that the Board select, the Director nominees for the annual meetings of the Company’s shareholders.

In addition, the Committee will work with the Board and its committees to adopt and implement appropriate corporate governance guidelines and procedures, review corporate policies related to public and social issues important to the Company and its industry and will make recommendations on specific issues designed to assure that the Company fulfills its business objectives. Specifically, the Committee will periodically review the Company’s Corporate Governance Guidelines and develop and recommend any modifications or amendments. The Committee is also charged with leading the Board in an annual review of the performance of the Board and the Company’s management. In addition, the Committee will conduct an annual review of its own performance.

The Committee will strive to operate objectively and with integrity and to exercise its best business judgment on behalf of the interests of the Company’s shareholders.

Membership

The full Board shall designate members of the Committee and shall select only qualified, independent directors to serve on the Committee. Each member of the Committee shall meet the independence requirements of the New York Stock Exchange (“NYSE”) and applicable state and federal law, including the rules and regulations of the SEC.

The determination as to each Committee member’s independence shall be disclosed in the Company’s proxy statement. The Committee shall consist of a minimum of three and a maximum of seven independent directors. The business of the Committee may be transacted if a quorum of the Committee’s members is present. A quorum shall consist of at least one-third of the Committee’s membership, but no fewer than two persons. All actions taken by the Committee shall be deemed approved on the vote of a majority of its members acting at a meeting at which a quorum is present. Membership on the Committee shall rotate at the full Board’s discretion. Generally, the Board fills vacancies on the Committee and may remove a Committee member from the membership of the Committee at any time with or without cause.

Powers and Responsibilities

The Committee shall have the power and responsibility to:

1. Search for and identify a pool of potential director candidates and recommend to the Board the names of qualified persons to be nominated for election or re-election as directors and the membership and chairman of each Board committee; and consider suggestions for Board membership submitted by shareholders in accordance with the notice provisions and procedures set forth in the Company's organizational documents. In fulfilling this responsibility, the Committee shall have the authority to retain and terminate a search firm to seek individuals qualified to become directors or officers of the Company. The Committee shall have the authority to approve such firm's fees and other terms of retention. The Committee shall be responsible for establishing a policy regarding consideration of director candidates recommended by the Company's shareholders and the procedures to be followed by shareholders that desire to submit such a recommendation. Prior to each annual meeting of the shareholders of the Company, the Committee shall recommend a slate of nominees for election or re-election to the full Board.
2. Establish criteria for nomination to the Board and its committees, taking into account the composition of the Board as a whole. At a minimum, the criteria should include a candidate's qualification as independent, as well as a candidate's depth of experience and availability, the balance of the business interest and experience of the incumbent or nominated directors, and the need for a required expertise on the Board or one of its committees. With respect to incumbent members of the Board, the Committee shall also consider the performance of the incumbent directors. In addition, the Committee shall determine whether qualifications for membership on each committee of the Board are met.
3. Review and make recommendations to the Board regarding Board composition and structure, including without limitation:
 - a. recommending the term of office for directors and whether or not the Board should be classified according to terms;
 - b. recommending retirement policies for non-employee directors;
 - c. recommending the desirable ratio of employee and non-employee directors; and
 - d. reviewing the format of Board meetings and making recommendations for the improvement of such meetings.
4. Review and make recommendations to the Board regarding the nature and duties of the Board's committees, including without limitation:
 - a. evaluating the charter, duties and powers of the Board's committees according to existing and planned Company objectives and recommending changes with respect thereto;

- b. recommending the term of office for committee members; and
 - c. considering whether there should be a policy of periodic rotation of directors among the committees, and any limitations on the number of consecutive years a director should serve as a member of any one Board committee.
5. Evaluate the Company's policies relating to the recruitment of directors, including compensation, D&O insurance, as well as indemnification protections provided in the Company's organizational documents and indemnity agreements, and make recommendations to the Board, or any appropriate Board committee regarding such matters.
 6. After review by the Committee, recommend formally to the Board a successor to the Chief Executive Officer when a vacancy occurs.
 7. Receive periodically from the Chief Executive Officer recommendations regarding the Chief Executive Officer's successor, the development of other executive talent and the executive management needs of the Company.
 8. Review the Chief Executive Officer's appointment of SEC reporting officers ("SEC reporting officers" are those officers that file Forms 3 and 4 with the SEC under Section 16 of the Securities Exchange Act of 1934) and make recommendations to the Board with respect to such persons to be elected officers by the Board and review any proposed personnel changes involving such officers.
 9. Review the Company's policies and programs in such areas as:
 - a. Code of Business Conduct and Ethics
 - b. Political Action/Legislative Affairs
 - c. Record Retention
 - d. Insider Trading
 - e. Director Orientation and Continuing Educationand make recommendations to the Board with respect to any changes, amendments and modifications that the Committee deems desirable.
 10. With the knowledge of management, may meet with or communicate with shareholders or employees of the Company or others that have a stake in the corporate governance policies of the Company. If the Committee desires to meet with an officer or other employee of the Company, the Committee shall have full and free access to such officer or other employee of the Company and shall arrange meetings or contacts with such officer or other employee through the General Counsel or other officer in charge of legal affairs, with the understanding

that such contacts or meetings should be arranged to minimize any disruption to business operations of the Company.

11. The Committee shall be responsible for establishing a process for security holders to send “security holder communications” as that term is used in Item 7(h)(2) of Schedule 14A, or any successor provisions thereto, to Board members.
12. Retain independent legal, financial or other advisors it deems necessary to fulfill its responsibilities, without obtaining approval of any officer of the Company in advance.
13. Develop and oversee a director orientation program for all new directors and, to the extent deemed necessary by the Committee, a continuing education program for incumbent directors.
14. Develop and oversee the annual assessment of the full Board by collecting comments and evaluations from each director and any other constituents the Committee deems relevant to such assessment. Annually, the Committee shall report the results of such assessment to the Board.
15. At each Board meeting, report on Committee activities.
16. Perform such other functions which the Board may assign.
17. Delegate authority and responsibilities to subcommittees as it deems proper.
18. Conduct an annual assessment of the Committee’s performance, which shall include eliciting input from management, on the performance of the Committee.