

**CHARTER**  
**of the**  
**NOMINATING & CORPORATE GOVERNANCE COMMITTEE**  
**of the**  
**BOARD OF DIRECTORS**  
**of**  
**UNITRIN, INC. (“COMPANY”)**

**A. NOMINATING & CORPORATE GOVERNANCE COMMITTEE PURPOSE.**

The Nominating & Corporate Governance Committee (the “Committee”) shall be a standing committee of the Company’s Board of Directors (“Board”) the purpose of which is: (1) to assist the Board by identifying individuals qualified to become Board members, and to recommend to the Board the director nominees in connection with each annual meeting of shareholders; (2) to recommend to the Board a set of corporate governance principles applicable to the Company (“Corporate Governance Guidelines”); (3) to lead the Board in its annual review of the Board’s performance; and (4) to recommend to the Board director nominees for each Board committee.

**B. COMPOSITION OF COMMITTEE.** The Committee shall consist of three or more members who shall be appointed annually by the Board. Each member of the Committee shall satisfy the standards of independence under applicable law and those contained in the listing requirements of the New York Stock Exchange or such other securities market or exchange on which the Company’s common stock may from time to time be listed or qualified for trading (the “Listing Requirements”). The Board shall select one of the Committee members as the Chairman of the Committee, considering the recommendation of the Committee.

The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to satisfying the standards outlined above. Except as expressly provided in this Charter, the Amended and Restated By-Laws of the Company, the Corporate Governance Guidelines, the Listing Requirements or applicable law (collectively, “Governing Rules”), the Committee shall fix its own rules of procedure.

**C. COMMITTEE GOALS AND RESPONSIBILITY.**

1. The Committee shall develop qualification criteria for Board members and for membership on the committees of the Board.

2. In accordance with such qualification criteria, the Committee shall recommend to the Board for its approval a full slate of nominees for director in connection with each annual meeting of the Company's shareholders.

3. The Committee shall recruit, screen and interview candidates to fill actual or anticipated vacancies in the Board arising out of director resignations, retirements, expansions in the size of the board or any other reason, and shall recommend candidates to fill any such vacancies to the Board. As a part of this responsibility, the Committee shall conduct reasonable inquiries into the background and qualifications of any new candidate for the Board and such candidate's compliance with the standards of independence referred to in Paragraph B above, as well as any other qualifications for director established by the Committee.

4. The Committee shall have the sole authority to retain and terminate any outside legal, accounting or other advisors, including search firms to identify director candidates, and shall likewise have sole authority to approve such advisors' fees and other terms of retention and may direct the proper officers of the Company to pay the reasonable fees and expenses of any such advisors.

5. The Committee shall periodically review the composition and size of the Board and its committees, as well as the frequency and procedures of Board meetings, and shall make such recommendations to the Board as it shall deem appropriate from time to time.

6. The Committee shall receive comments from all directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year.

7. The Committee shall develop and recommend to the Board Corporate Governance Guidelines that are consistent with the Governing Rules. The Committee shall annually review and reassess the adequacy of the Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

8. The Committee may form subcommittees of two or more members and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided that the Committee may not delegate to a subcommittee any power or authority required by the Governing Rules to be exercised by the Committee as a whole.

9. The Committee shall make regular reports to the Board.

10. The Committee shall discharge any other duty or responsibility assigned to it by the Board.

D. REVIEW OF CHARTER AND COMMITTEE'S PERFORMANCE. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance and report its findings to the Board.

E. MEETINGS OF COMMITTEE. The Committee shall meet at such times as deemed necessary or appropriate by the Chairman or a majority of the members of the Committee, but no less frequently than annually.

F. MINUTES OF MEETINGS. The Committee shall maintain minutes of each meeting of the Committee, to be prepared by a person designated by the Chairman as the secretary of such meeting and shall be submitted to the Committee for approval at its next meeting. All such minutes shall be filed with the records of the Company.

Dated: February 5, 2003