

MERITAGE CORPORATION
NOMINATING/GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS CHARTER

I. PURPOSE AND AUTHORITY

The Committee is responsible to the Board of Directors and reports regularly to the Board on activities of the Committee, which include (1) assisting the Board by identifying individuals qualified to become Board members, consistent with criteria approved by the Board and recommending to the Board director nominees for the next annual meeting of stockholders, (2) developing and recommending to the Board the Corporate Governance Principles and Practices applicable to the Corporation, (3) leading the Board in its annual review of the Board's performance, (4) recommending to the Board director nominees for the Executive Compensation Committee and the Audit Committee and overseeing evaluation of the Board and management. The Committee has sole authority to retain and terminate any search firm used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms. The Committee may, when appropriate, form and delegate authority to subcommittees comprised of Independent Directors.

II. COMPOSITION

The Committee shall be comprised of Directors who are independent within the meaning of applicable New York Stock Exchange rules ("Independent Directors"). Non-management Directors who are not Independent Directors will be entitled to notice of, and may attend, all meetings of the Committee. Committee Members are selected by the full Board and may be removed and replaced by the full Board at any time. The Chair of the Committee is selected by the Independent Directors and may be removed at any time by a majority of the Independent Directors.

III. RESPONSIBILITIES

The Committee shall have the following specific responsibilities and such other responsibilities as from time to time may be prescribed by the Board of Directors:

Board Organization, Membership and Functions

1. Develop criteria for director nominees.
2. Review and recommend director candidates for the Board.
3. Recommend a class of directors for election at the Annual Meeting of Stockholders.
4. Make recommendations to the Board regarding director retirement age, tenure and removal for cause.

5. Assess and monitor, with Board involvement, the performance of the Board.
6. Review continued appropriateness of Board membership of directors who retire or change their positions held at the time of election.
7. Develop and recommend to the full Board a set of corporate governance principles and practices applicable to the Corporation (the “Corporate Governance Principles and Practices”), addressing, at a minimum, the following matters:
 - Director qualification standards, including policies regarding director tenure, retirement, and succession;
 - Director responsibilities, including basic duties and responsibilities with respect to attendance at Board and committee meetings and advance review of meeting materials;
 - Director access to management and, as necessary or appropriate, independent advisors;
 - Director orientation and continuing education;
 - Management succession, including policies and principles for Chief Executive Officer selection and performance review, as well as policies regarding succession in the event of an emergency or retirement of the Chief Executive Officer(s); and
 - Board and committee self-assessments on at least an annual basis to determine whether the Board and its committees are functioning effectively.
8. Monitor compliance with the Corporation’s Corporate Governance Principles and Practices.
9. Conduct a Committee self-evaluation on at least an annual basis, consistent with the self-assessment process reflected in the Corporation’s Corporate Governance Principles and Practices. This review should include the establishment of committee member qualifications and committee member appointment and removal.
10. Review and update the Committee’s Charter on at least an annual basis.

Committee Structure and Membership

Review the Charters of the Executive Compensation Committee and the Audit Committee and make recommendations regarding the number, structure, membership and function of such committees.