

W HOLDING COMPANY, INC.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The Nominating and Corporate Governance Committee (the “Nominating Committee”) of the Board of Directors (the “Board”) of W Holding Company, Inc. (the “Company”) and Westernbank Puerto Rico shall identify individuals qualified to become Board members, recommend director nominees for the board to propose when necessary at the next annual meeting of stockholders, consider and make recommendations to the Board concerning its size and composition of the Board, its committee structure and makeup, and recommend when deemed appropriate, retirement policies and procedures affecting Board members. The Nominating Committee shall also develop and recommend to the Board a set of corporate governance principles applicable to the Company.

Committee Membership

The Nominating Committee shall consist of no fewer than three of the members of the Board. Members of the Nominating Committee shall be appointed and may be removed by the Board. All members of the Nominating Committee shall meet the independence requirements of the New York Stock Exchange and any other legal requirements, including requirements under the federal securities laws.

Committee Authority and Responsibilities

1. The Nominating Committee shall recommend, when necessary, nominees to the Board for the next annual meeting of stockholders. This responsibility includes working with the full Board to evaluate new nominees, their qualifications and possible conflicts with the Company's interests, the contributions of current directors in connection with their re-nomination, and when deemed appropriate, provide recommendations to the full Board with respect to these matters and with respect to the removal of a director, if such a removal is necessary.
2. The Nominating Committee shall select individuals as director nominees who shall have unquestionable personal and professional integrity, have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Company and its stockholders. In selecting director nominees, the Nominating Committee should assess the director's qualifications, perspective, business judgment and leadership, relevant specific industry knowledge, business, vision, and experience, in the best long term interest of the Company at the time.
3. The Nominating Committee shall review the Board's committee structure and make recommendations as appropriate. The Nominating Committee shall review the committee composition annually and shall recommend new members to fill vacancies, if and when needed.

4. The Nominating Committee shall develop and recommend to the Board for its approval a set of corporate governance principles applicable to the Company. These shall be reviewed and amended as necessary at least annually.
5. The Nominating Committee should make recommendations to the Board about succession planning in the event of an emergency or the retirement of the Chief Executive Officer.
6. The Nominating Committee may delegate its authority to members as the Nominating Committee deems appropriate; provided that any delegate shall report any actions taken by him or her to the whole Nominating Committee at its next regularly scheduled meeting.
7. The members of the Nominating Committee shall appoint one of their members as the Chairman. The Chairman will be making the agenda, presiding over the meetings, making committee assignments and reporting to the Board at its next regularly scheduled meeting following the meeting of the Nominating Committee.
8. The Nominating Committee can obtain advice and assistance from internal or outside legal, accounting, or other advisors it determines necessary to carry out its work.
9. The Nominating Committee will present the Board an annual evaluation of the Nominating Committee's work, overseeing the annual evaluation process for the Board and management and of this charter, annually.

Adopted by the Board of Directors on January 30, 2006.