

# HIGHLAND HOSPITALITY CORPORATION

## NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

### **Purpose**

The Nominating and Corporate Governance Committee (the “Nominating Committee”) of the Board of Directors (the “Board”) of Highland Hospitality Corporation (the “Company”) shall identify individuals qualified to become Board members, consistent with criteria approved by the Board, recommend to the Board candidates for election or re-election to, or removal from, the Board, consider and make recommendations to the Board concerning the size and composition of the Board, consider from time to time the Board committee structure and makeup, and recommend to the Board retirement policies and procedures affecting Board members. The Nominating Committee shall also (i) monitor the Company’s human resources practices, including its performance in diversity and equal employment opportunity, (ii) monitor the Company’s performance in meeting its obligations of fairness in internal and external matters, and (iii) develop, implement and review of the Company’s corporate governance practices.

### **Committee Membership**

The Nominating Committee shall consist of no fewer than two 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 perform the core function of recommending nominees for election to the Board at each annual or special meeting or to fill any vacancies as needed. This responsibility includes working with the full Board to establish criteria for board membership, reviewing candidates’ qualifications and any potential conflicts with the Company’s interests, assessing the contributions of current directors in connection with their re-nomination, and making recommendations to the full Board with respect to these matters and with respect to the removal of a director.
2. The Nominating Committee shall select individuals as director nominees who shall have the highest personal and professional integrity, who shall 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 as independent, as well as consideration of skills, knowledge, perspective, broad business judgment and leadership, relevant lodging industry-specific or regulatory affairs knowledge, business creativity and vision, experience, age and diversity, all in the context of an assessment of the perceived needs of the Board at that time.

3. The Nominating Committee shall review the Board's committee structure and recommend to the Board for its approval directors to serve as members of each committee. The Nominating Committee shall recommend additional committee members to fill vacancies as needed.
4. The Nominating Committee shall develop and recommend to the Board for its approval a set of corporate governance principles. The Nominating Committee shall review the principles on an annual basis, or more frequently if appropriate, and recommend changes as necessary to the Board.
5. The Nominating Committee is responsible for making recommendations to the Board relating to the establishment of policies and principles regarding succession planning in the event of an emergency or the retirement of the President and Chief Executive Officer.
6. The Nominating Committee is responsible for establishing a policy with regard to the consideration of director candidates recommended by securityholders and for reviewing and revising such policy as the Nominating Committee deems appropriate.
7. The Nominating Committee is responsible for considering whether any specific qualities or skills should be possessed by one or more of the Company's directors.
8. 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.
9. The members of the Nominating Committee shall appoint one of their number as the Chairman. The Chairman shall be responsible for leadership of the Nominating Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting for the Nominating Committee to the Board at its next regularly scheduled meeting following the meeting of the Nominating Committee.
10. The Nominating Committee shall have the sole authority to retain and terminate any search firm to be used in the identification of director candidates and shall have sole authority to approve the search firm's fees and other retention terms. The Nominating Committee also shall have authority to obtain advice and assistance from internal or outside legal, accounting or other advisors it determines necessary to carry out its duties. The Company shall provide for appropriate funding, as determined by the Nominating Committee in its capacity as a committee of the Board, for payment of compensation to any such search firm or advisors and ordinary administrative expenses of the Nominating Committee that are necessary or appropriate in carrying out its duties.
11. The Nominating Committee shall conduct and present to the Board an annual evaluation of each Committee's performance as compared to the requirements of its respective Charter. The Nominating Committee shall oversee the annual evaluation process for the Board.

12. The Nominating Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

Adopted by the Board of Directors on January 23, 2004.