

**MONROE BANCORP  
NOMINATING AND CORPORATE GOVERNANCE  
COMMITTEE CHARTER**

**I. PURPOSE**

The Nominating and Corporate Governance Committee (the “Committee”) shall provide assistance to the Board of Directors in fulfilling the Board of Directors’ responsibilities in the areas of membership selection, committee selection, and corporate governance practices.

**II. ORGANIZATION**

The Committee shall consist of at least three members appointed by the Board of Directors and may be removed by the Board of Directors. The Committee shall meet on the call of its chairperson. The Committee has the sole authority to retain and terminate any consulting or search firm to be used to identify director candidates, including the sole authority to approve the firm's fees and other retention terms. The notice and quorum requirements applicable to the Board of Directors shall apply to the Committee.

**III. QUALIFICATIONS**

The Committee shall be composed entirely of independent directors, determined by the Board of Directors under the applicable requirements of the Nasdaq Stock Market.

**IV. RESPONSIBILITIES**

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in this charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in this charter.

1. develop and recommend to the board criteria for the selection of individuals to be considered as candidates for election to the board (such as independence, experience relevant to the needs of Monroe Bancorp, leadership qualities, diversity and ability to represent the shareholders);
2. before recommending an incumbent, replacement or additional director, review his or her qualifications, including capability, availability to serve, conflicts of interest and other relevant factors;

3. actively seek individuals qualified to become members of the Board of Directors;
4. review director candidates submitted by shareholders;
5. annually present to the board a list of individuals recommended for nomination for election to the board at the annual meeting of shareholders;
6. from time to time recommend individuals for appointment as directors by the Board of Directors;
7. consider and recommend changes in the size of the board;
8. regularly review issues and developments related to corporate governance issues and formulate and recommend governance standards to the board;
9. review and approve any disclosure of the actions of the Committee required to be included in any periodic or annual report;
10. annually review the composition of each committee and present recommendations for committee memberships to the board as needed;
11. periodically review the compensation paid to non-employee directors for annual retainers (including board and committee chairs) and meeting fees, if any, and make recommendations to the board for any adjustment. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as such;
12. annually review and update this charter for consideration by the Board of Directors;
13. report the matters considered and actions taken by the Committee to the Board of Directors.

***Approved by the Monroe Bancorp and Monroe Bank Board of Directors on April 30, 2009.***