

CRYSTAL RIVER CAPITAL, INC.

Charter of the Nominating and Corporate Governance Committee of the Board of Directors

PURPOSE

The primary purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) is to:

- identify qualified individuals to become Board members;
- recommend to the Board individuals to be designated as nominees for election as directors at the next annual meeting of shareholders;
- determine the composition of the Board and its committees;
- monitor Board and committee effectiveness; and
- develop and recommend to the Board the corporate governance guidelines of the Company (the “Guidelines”).

MEMBERSHIP

The Committee shall be comprised of not less than three members of the Board. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. All members of the Committee shall meet the independence criteria of the New York Stock Exchange, subject to the phase-in rules for companies listing in connection with an initial public offering. The Board shall designate a chairperson of the Committee.

DUTIES AND RESPONSIBILITIES

The Committee will discharge the duties of the Board, to the extent delegated to the Committee, and will approve or make recommendations to the Board, with respect to the following duties and responsibilities:

- The Committee will review the structure of the Board, its committee structure, its overall size and its number of independent directors.
- The Committee will actively seek candidates qualified to become Board members, including evaluating candidates suggested by shareholders or others, and conduct appropriate inquiries into the backgrounds and qualifications of possible nominees for election or appointment to the Board.

- The Committee will select and recommend to the Board for nomination or appointment prospective candidates for directors. The Committee will select those candidates whose attributes it believes would be most beneficial to the Company. The Committee will review the candidates' experience, integrity, competence, diversity, skills and dedication in the context of the needs of the Board and assess whether the candidates' qualifications meet the minimum criteria contained in the Guidelines.
- The Committee will recommend to the Board directors to serve as members of each committee after taking into account the desires, experiences and expertise of individual director candidates. The Committee will review and recommend committee slates annually and shall recommend additional committee members as needed.
- The Committee will develop and recommend to the Board an annual self-evaluation process for the Board and its committees. The Committee will oversee the annual self-evaluations. The Committee shall evaluate the performance of each director before recommending to the Board his or her nomination for an additional term as director.
- The Committee will advise and make recommendations to the Board on corporate governance and all matters pertaining to the role of the Board and the practices and the performance of its directors, including the development of the Guidelines. The Committee shall periodically review and assess the adequacy of the Guidelines and recommend any changes to the Board.
- The Committee will consider possible conflicts of interests of directors and any related party transactions. The Committee shall review the institutional and other affiliations of directors and nominees for any potential conflict of interest problems and shall make recommendations to the Board with respect to the determination of director independence.
- The Committee will review and make recommendations to the Board concerning compensation arrangements for non-employee members of the Board.

DELEGATION TO SUBCOMMITTEE

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

SEARCH FIRMS AND OTHER ADVISORS

If the Committee desires to utilize a search firm to assist the Committee in the identification of director candidates, then the Committee shall have the sole authority to retain and terminate such search firm, including the sole authority to approve the search firm's fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from internal and external legal, accounting and other advisors as it deems necessary and appropriate, without obtaining the approval of the Board or management.

MEETINGS

The Committee will meet at least twice annually and as often as necessary to carry out its responsibilities. A majority of the total number of members shall constitute a quorum at any meeting of the Committee, and the act of a majority of the members at any meeting shall be the act of the Committee. Reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board approved by the Committee.

PERFORMANCE EVALUATION

The Committee shall undertake an annual performance evaluation of the Committee, including an assessment of the performance of the Committee based on the duties and responsibilities set forth in this charter and such other matters as the Committee may determine. The evaluation to the Board may take the form of an oral report by the Committee chairman or any other member of the Committee designated by the Committee to make the report and shall be undertaken under the supervision of the Committee in accordance with the Guidelines adopted by the Board. The Committee shall review and assess the adequacy of the Committee charter annually and propose any necessary changes for approval to the Board.