

CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

A. Purpose

The role of the Nominating and Corporate Governance Committee (the “Committee”) is to discharge the responsibilities of the Board of Directors (the “Board”) of Kestrel Group Ltd (the “Company”) to ensure that the Board and its committees are appropriately constituted to meet their legal obligations to the shareholders and the Company. To this end, the Committee is responsible for (i) identifying and recommending to the Board individuals qualified to become Board and committee members; (ii) ensuring that a majority of the Board consists of individuals who are independent as required by applicable law and the rules of the Nasdaq Stock Market (“Nasdaq”) and that members of the Audit, Compensation, and Nominating and Corporate Governance Committees are independent as required by applicable law and such rules, provided that the foregoing shall not be construed to discharge the Board’s responsibility under such law or rules to determine whether members of the Board or any committee are independent; (iii) developing and recommending to the Board a set of corporate governance principles applicable to the Company; (iv) generally addressing corporate governance issues for the Board; (v) overseeing the evaluation of the Board and management; and (vi) reporting regularly to the Board as to its activities.

B. Functions

The Committee shall have the following functions, as well as any functions as shall be required of nominating or corporate governance committees by the rules of Nasdaq. The tasks and processes are set forth as a guide, and not as minimum requirements, with the understanding that the Committee may supplement them as appropriate, or may choose to fulfill its responsibilities in other ways which it deems advisable in its business judgment.

1. To establish the criteria for Board membership, based on the nature, size and complexity of the Company and the stage of its development, from time to time, which may include one or more of the following: experience, skills, expertise, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the Committee considers appropriate in the context of the needs of the Board. In establishing these criteria, the Committee shall make every effort to ensure that the Board and its committees include at least the number of independent directors as is required by applicable Nasdaq standards.

2. To periodically review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;

3. To develop and recommend to the Board for its approval an annual Board and committee self-evaluation process to determine the effectiveness of the functioning of the Board and its committees, and oversee such annual self-evaluation process;

4. To identify, recruit and recommend to the Board candidates for election to the Board at each annual meeting of shareholders or to fill vacancies on the Board or any committee

thereof pursuant to the bye-laws of the Company (including, for the avoidance of doubt, with respect to nomination of director nominees by the Kestrel Holder or the AmTrust Holder (each as defined in the Company's bye-laws), as applicable); to review candidates recommended by shareholders, establish the procedures by which such shareholder candidates will be considered by the Committee and publish these procedures in the Company's annual meeting proxy statement; to conduct the appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates;

5. To develop, approve and periodically assess a process for shareholders to send communications to the Board;

6. To receive recommendations of director candidates made by security holders of the Company and to recommend to the Board whether the Company should adopt a policy with respect to consideration of such candidates and, if so, to prepare that policy and the procedure to be followed by security holders in submitting such recommendations;

7. To oversee the performance review of the Board, its various committees, including the Committee, and management at least annually;

8. To make recommendations to the Board regarding committee structure and delegated responsibilities included in the charter of each committee of the Board;

9. To review director relationships and recommending to the Board whether each director satisfies the Board's standards of independence;

10. To determine (i) the appropriate schedule for regular executive sessions of the non-management directors, (ii) whether, in the event the Chairman of the Board is a member of management, a single presiding director shall be selected for all such executive sessions or whether a procedure should be used for selection of the presiding director, and (iii) a method to be disclosed by the Company for interested parties to be able to communicate concerns directly to the Chairman of the Board or, in the event the Chairman of the Board is a member of management, to the presiding director or to the nonmanagement directors as a group;

11. To recommend to the Board the appointment and removal of the members and chairs of the committees (subject to the rights provided to the Kestrel Holder or the AmTrust Holder, as applicable, pursuant to the Company's bye-laws);

12. To make recommendations on the structure of Board meetings and to oversee the Company's processes for providing information to the Board;

13. To consider matters of corporate governance and to develop and review periodically the Company's corporate governance principles and codes of business conduct and ethics (as required by the rules of Nasdaq and the SEC) and recommend to the Board any changes deemed appropriate;

14. To recommend to the Board director retirement policies;

15. To the extent the Committee deems necessary or appropriate, develop and recommend to the Board for approval a Chief Executive Officer or management succession plan and review such plan periodically with the Chief Executive Officer, develop and evaluate potential candidates for Chief Executive Officer and executive positions and recommend to the Board any changes to, and any candidates for succession, under the developed succession plan.

16. To review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval; and

17. Perform any other activities consistent with this Charter, the Company's Bye-laws and governing law, as the Committee or the Board deems necessary or appropriate.

C. Composition

The Committee shall be composed of two (2) or more directors, none of whom shall be an employee of the Company and each of whom shall, in the Board's judgment, meet the independence requirements of any applicable law and the rules of any securities exchange or automated inter-dealer quotation system on which any of the Company's securities are traded. The members of the Committee shall be appointed by the Board and may be removed by the Board at its discretion and as may be consistent with the Company's bye-laws; *provided*, for the avoidance of doubt, that for so long as at least one (1) Holder Designee (as defined in the Company's bye-laws) serves on the Board, to the extent permitted by applicable laws (including any requirements of Nasdaq), members of the Committee shall include at least one Holder Designee. Members of the Committee shall serve until their resignation, death, removal by the Board or until their successors are appointed. A Committee member shall be automatically removed without further action of the Board if the member ceases to be a director of the Company or is found by the Board no longer to meet applicable independence requirements. The Committee shall include a Committee Chairman. If a Chairman is not designated or present, the members of the Committee may designate a Chairman by majority vote.

D. Meetings

The Committee shall meet either in person or by means of such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously at least twice per year at a time and place determined by the Chairman of the Committee, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed appropriate or desirable by the Chairman of the Committee. It is expected that Committee members shall be present at all Committee meetings. The Committee Chairman may call a Committee meeting upon due notice of each other Committee member at least forty-eight (48) hours prior to the meeting. Attendance by a Committee member at any meeting called on less than 48 hours' notice shall be deemed a waiver of notice unless such attendance is for the sole purpose of contesting the validity of such meeting. Members of senior management or others may attend meetings of the Committee at the invitation of the Chairman of the Committee and shall provide pertinent information as necessary. The Chairman of the Committee shall set the agenda of each meeting and arrange for the distribution of the agenda, together with supporting material, to the Committee members prior to each meeting. The Chairman of the Committee will also cause minutes of each meeting

to be prepared and circulated to the Committee members and shall report regularly to the Board on its activities, as appropriate. The Committee may designate a non-voting Secretary or Acting Secretary for the Committee, who shall assist in the administration of meetings and prepare the minutes of such meeting as requested by the Committee.

A majority of the members of the Committee shall constitute a quorum for all purposes. The Committee is governed by the same rules regarding meetings (including meetings by telephonic, electronic or other communications facilities or means), action without meetings and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (i) any provision of this Charter; (ii) any provision of the Bye-laws or memorandum of association of the Company; or (iii) the laws of Bermuda.

E. Authority to Engage Advisors

The Committee shall have the authority necessary, and shall have the appropriate funding from the Company, to select, retain, terminate and approve the fees of legal and other advisors, including director search firms, as it deems necessary for the fulfillment of its responsibilities. Any communication between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.