

**TEXAS REGIONAL BANCSHARES, INC.  
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE  
CHARTER**

**Purpose**

The Corporate Governance and Nominating Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Texas Regional Bancshares, Inc. (the “Company”) (i) to assist the Board in identifying individuals qualified to become Board members, and to recommend to the Board the director nominees for the next annual meeting of shareholders and nominees to be elected to vacancies created by death or resignation; (2) to recommend to the Board nominees for each Board committee; (3) to oversee the corporate governance of the Company; and (4) to lead the Board in its annual review of the Board’s performance.

**Committee Composition**

The Committee shall consist of no fewer than three members, each of whom shall be a director of the Company. Each member of the Committee shall be independent (as independence is defined in Rule 4200(a)(15) of the National Association of Securities Dealers listing standards and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934). The Board shall appoint the members of the Committee. The Board shall have the power to change the membership of the Committee and fill any vacancies on the Committee. A majority of the members of the Committee shall constitute a quorum. The Committee shall select from among its members one person to serve as the Committee’s Chairman, to serve until his or her resignation or removal or until his or her successor is duly elected and qualified.

**Meetings**

The Committee shall meet as frequently as circumstances require, and in any event not less often than annually. The Committee’s Chairman shall preside at meetings of the Committee, unless he or she is absent, in which latter event the members of the Committee shall select another Committee member to serve as chair of that meeting. The time and place of meetings shall be determined by the Committee’s Chairman or by any two other members of the Committee. The Committee shall maintain minutes of its meetings and regularly report to the Board on significant actions it has taken. The Committee may form and delegate authority to subcommittees when appropriate. The Committee may invite members of management and other persons to attend its meetings as the Committee may deem desirable or appropriate.

**Committee Authority and Responsibilities**

The Committee shall:

1. Have the responsibility to develop and recommend criteria for the selection of new directors to the Board, including, but not limited to: a strong record of community leadership in the Company's markets, a strong record of achievement in both business and civic endeavors, strong ethics, leadership qualities including the ability to analyze and interpret both banking and other activities of an entrepreneurial nature, the ability to attract new Company relationships, and such other criteria as the Committee shall determine to be relevant at the time.
2. When vacancies occur, or otherwise at the direction of the Board, actively seek individuals whom the Committee determines meet such criteria and standards for recommendation to the Board.
3. Recommend to the Board, on an annual basis, nominees for election as directors for the next annual meeting of shareholders.
4. Review with the Board, on an annual basis, the current composition of the Board in light of the independence, diversity, age, skills, experience, and availability of time for service to the Company, and review with the Board the Board's anticipated needs.
5. Monitor and review any issues regarding the independence of directors or involving potential conflicts of interest, and evaluate any change to status of directors and make recommendations regarding the propriety of continued service.
6. Periodically review the form and amounts of director compensation and make recommendations to the Board with respect thereto.
7. Have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms, at the Company's expense.
8. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
9. Develop and recommend to the Board corporate governance principles and practices applicable to the Company.
10. Not less often than annually, review and assess the Company's corporate governance principles and practices, and recommend any proposed changes to the Board for approval.
11. Review at least once each year, the Company's Code of Ethics and Business Conduct, and recommend to the Board any revisions the Committee deems necessary or desirable.
12. Consider and evaluate other corporate governance issues.
13. Perform such other functions as the Board may request.

The Committee may obtain advice and assistance from internal or external legal, accounting or other advisors. The fees and expenses of outside advisors to the Committee shall be paid by the Company.

### **Consistency and Amendment**

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Articles of Incorporation or Bylaws of the Corporation, the Articles of Incorporation and Bylaws shall control.

This Charter may be amended or altered, or additions made, at any meeting of the Board of Directors by affirmative vote of a majority of the Board.