

MONARCH COMMUNITY BANCORP, INC.

NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

PURPOSE

The purpose of the Nominating Committee is to provide assistance to the Board of Directors in identifying, screening and recommending qualified candidates to serve as Directors of the Company.

QUALIFICATIONS

The Nominating Committee shall consist of three or more members of the Board, each of whom shall be independent as defined by the requirements of the NASDAQ Small Cap exchange, which is the primary security exchange on which the Company's securities are traded.

ORGANIZATION

The Board of Directors annually shall designate the members and the Chairman of the Nominating Committee. A majority of the Committee members shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting at which a quorum is present shall be the action of the Committee. The Committee shall keep a record of its actions and proceedings, and shall make a report thereof from time to time to the Board of Directors.

MEETINGS

The Committee shall hold one regular meeting (in person or by telephone conference) per year and such other special meetings as may be necessary to fulfill its duties as follows:

- December/January – recommend nominees for the slate of the directors to stand for election at the next annual meeting of shareholders.
- Special – recommend nominees to fill new positions or vacancies which may occur on the Board of Directors.

POWERS, DUTIES AND RESPONSIBILITIES

The Nominating Committee shall:

- Develop and recommend criteria for the selection of new directors to the Board, including, but not limited to age, skills, diversity, experience, education, availability and such other criteria as the Committee shall determine to be relevant at the time;
- Actively seek individuals qualified to become members of the Board of Directors. The Committee may consider candidates proposed by security holders or management, but is not required to do so;
- If deemed advisable, retain (or terminate) any consulting or search firm to be used to identify director candidates, including authority to approve the firm's fees and other retention terms;
- Review the qualifications of and screen potential candidates to fill Board positions, in light of criteria established by the Board;
- Recommend to the full Board of Directors:
 - Nominees to fill new positions or vacancies as they occur among the Directors; and
 - Prior to each annual meeting of shareholders, the candidates for election or reelection as Directors by the shareholders at the annual meeting;
- Be available to the Chairman of the Board and other Directors for consultation concerning candidates as Directors;
- Review and update this charter from time to time for consideration by the Board of Directors;
- Evaluate the performance and function of the Nominating Committee from time to time; and
- Perform such additional duties and have such additional responsibilities as the Board may from time to time determine.