

MONARCH COMMUNITY BANCORP, INC.
BOARD NOMINATING COMMITTEE
POLICIES AND PROCEDURES

I. Minimum Qualifications for Nominating Committee Board of Director Nominees

A. Nominees for Directors of the Company shall possess such qualifications as the Company's Bylaws may require.

B. Nominees shall own, directly or indirectly, at least 1,000 shares of common stock of the Company. Shares owned jointly with other persons shall be counted toward such minimum.

C. Nominees shall be at least 30 years of age as of the date of election to the Board.

D. Nominees shall be citizens of the United States of America.

E. Nominees shall possess a Bachelor's Degree from an accredited college or university, or shall possess employment experience judged by the Committee to be the equivalent of such a degree.

F. Nominees shall possess a minimum of 10 years experience in a least one of the following:

- Management position(s) with a for-profit or non-profit entity;
- Ownership of a business; or
- Employment in a learned profession such as accounting or law.

G. Nominees shall exhibit a basic understanding of financial statements and the banking industry.

H. Nominees shall not be or have been under any type of disciplinary order, sanction, or penalty from a national or state banking, securities, or licensed profession regulatory body.

I. Nominees shall not have been convicted of a crime, other than non-substance abuse related traffic offenses.

J. Nominees shall certify in writing that he or she possess the above qualifications.

K. Nominees shall furnish such references as the Committee may request.

L. Nominees shall answer such questions and attend such interviews as the Committee shall request.

II. Director Candidates Recommended by Security Holders

The Committee may consider director candidates recommended by Company stockholders. In order to be considered for nomination, such candidates:

- Must possess the minimum qualifications stated in Section I above;

- Must be recommended in writing directed to the Nominating Committee, in care of the Secretary of the Company at the Company's main office, no later than October 1 for consideration by the Committee to be a nominee at the next annual meeting;
- Must state in a writing directed to the Nominating Committee, in care of the Secretary of the Company at the Company's main office, the reasons he or she wishes to be nominated to be a Director; and
- Must furnish evidence that the candidate possesses the minimum required qualifications to serve as a Director.

III. Candidate Identification Process

When the Committee is informed of a vacancy on the Board of Directors, whether through the resignation, death, or removal of a Director, or by notification from a Director that he or she does not wish to be re-elected for an expiring term; or if the Committee determines that it is in the best interest of the Company to select additional candidates for potential nomination to the Board of Directors; the Committee may:

- Solicit the recommendations of individual directors;
- Solicit the recommendations of individual or institutional stock holders;
- Solicit the recommendations of Management; or
- With approval of the Board of Directors, engage the services of such third parties to assist in identifying potential candidates as the Committee deems appropriate.

IV. Candidate Evaluation Process

In evaluating candidates for Director the Committee shall:

- Obtain such verification that a candidate possesses the minimum qualifications as the Committee deems appropriate;
- Communicate with the candidate's references;
- If the Committee deems it appropriate, submit written questions to a candidate;
- Conduct or cause to be conducted such interviews with a candidate as the Committee deems appropriate;
- Ascertain that a candidate will be available for regularly scheduled Board and Committee meetings, as well as the candidate's availability for special meetings;
- Solicit such input concerning a candidate from management, other Directors, or third parties as the Committee deems appropriate;
- Consider the qualifications, diversity, and experience of the candidate and the existing Directors to assist in determining if a candidate would strengthen the Board; and
- By majority vote, determine the candidates to be recommended to the Board to be nominees for or appointees to the Board of Directors, as the case may be.

The Committee, with the approval of the Board of Directors, may engage the services of such third parties to assist in evaluating candidates as the Committee deems appropriate.