

# **PMA CAPITAL CORPORATION**

## **Director Qualifications and Nominations Policy**

### **1. Purpose of the Policy**

The purpose of the Director Qualification and Nominations Policy is to describe the process by which candidates for inclusion in the Company's recommended slate of director nominees are selected. The Policy is administered by the Nominating and Corporate Governance Committee of the Board of Directors of PMA Capital Corporation (the "Company").

This Director Qualifications and Nominations Policy is intended to provide a set of flexible guidelines for the effective functioning of the Company's director nomination process. The Committee intends to periodically review this policy and anticipates that modifications may be necessary from time to time as the needs and circumstances evolve and as applicable legal or listing standards change.

### **2. Board Membership Criteria**

The Committee is governed by a written charter and pursuant thereto is responsible for, among other things, selecting individuals as director nominees who shall have business knowledge, experience, professional and personal integrity and good judgment and the ability to act with the other members of the Board, in discharging their duties as directors. The Company's objective is to have a board that brings to the Company a variety of viewpoints and skills derived from high quality business and professional experience that are conducive to reaching consensus decisions following full discussion from diverse perspectives. Minimally, these core competencies should include relevant business management, financial, investment and/or professional experience, industry knowledge, and strategic planning capabilities.

The Committee has determined that candidates shall also possess the following specific minimum qualifications:

- Candidates shall be committed to represent the long-term interests of the Company and its shareholders.
- Each candidate shall be an individual who has a demonstrated history of integrity and ethics in his/her personal and professional life and has an established record of professional accomplishment in his/her chosen field.
- No candidate shall have a conflict of interest that impedes the proper performance of the responsibilities of a director.

- Each candidate shall be prepared to serve on the Board for a period of no less than two three-year terms.
- Each candidate shall be prepared to participate fully in board activities, including active membership on at least one board committee and attendance at, and active participation in, meetings of the board and the committees of which he/she is a member, and not have other personal or professional commitments that would, in the Committee's judgment, interfere with or limit his or her ability to do so.
- Each candidate shall be willing to make, and be financially capable of making, a reasonable investment in the Company's stock given the candidate's financial circumstances.

In addition to the above-described minimum criteria, the Committee has established the following guidelines:

- Except as approved by the Committee, no member of the Board shall stand for re-election after his or her 72<sup>nd</sup> birthday.
- Except as approved by the Committee, no member of the Board may simultaneously serve on the boards of more than three publicly traded companies.

### **3. Identification of Candidates**

#### Internal Process for Identifying Candidates

The Committee has two primary methods for identifying candidates (other than those proposed by the Company's shareholders, as discussed below). First, on a periodic basis, the Committee solicits input for possible candidates from a number of sources: members of the board; senior level Company executives; and individuals personally known to the members of the board. Second, the Committee may from time to time use its authority under its written charter to retain at the Company's expense one or more search firms to identify candidates (and to approve any such firms' fees and other retention terms).

#### Candidates Proposed by Shareholders

Any shareholder of the Company may nominate one or more persons for election as a director of the Company at an annual meeting of shareholders if the shareholder complies with the notice, information and consent provisions contained in the Company's articles of incorporation, bylaws, and the timeline set forth in the prior annual shareholders' meeting proxy statement (if applicable).

#### **4. Evaluation of Candidates**

The Committee will consider all candidates identified through the processes described above, and will evaluate each of them based on the same criteria.

With respect to existing directors, the Committee shall periodically evaluate and/or assess such directors' past performance, and contributions to the Company, and shall apply the above criteria in determining whether the incumbent should be nominated for another term.

With respect to new potential candidates, if, based on the Committee's initial evaluation, a candidate continues to be of interest to the Committee, appropriate interviews and background checks may be conducted.

Directors shall be chosen without regard to sex, race, religion, sexual orientation or national origin.

*Last Revised: March 4, 2010*