

**NATIONAL GENERAL HOLDINGS CORP.
AUDIT COMMITTEE CHARTER**

Purpose

The Audit Committee (“*Committee*”) is appointed by the Board of Directors of National General Holdings Corp. (the “*Board*”) to assist the Board in monitoring:

1. the accounting and financial reporting processes of National General Holdings Corp. and its subsidiaries (the “*Company*”) and the audit of its financial statements;
2. the independent auditor’s qualifications and independence;
3. the performance of the Company’s internal audit function and independent auditors; and
4. the compliance by the Company with legal and regulatory requirements.

The Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “*Commission*”) to be included in the Company's annual proxy statement.

Committee Membership

The Committee shall be composed of no fewer than three members, each a director and appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. The members of the Committee shall meet the independence and experience requirements of Section 10A(m)(3), Rule 10A-3 or any successor provisions of the Securities Exchange Act of 1934 (the “*Exchange Act*”), the corporate governance standards or listing requirements of the NASDAQ Global Market or any national securities exchange on which the Company’s securities are subsequently listed, and the rules and regulations of the Commission. Committee members shall not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. Committee members must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement, at the time of their appointment. At least one member of the Committee shall be an “audit committee financial expert” as defined by the Commission and applicable listing standards. Committee members may be replaced by the Board.

Meetings

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically with management, the internal auditors and the independent auditor in separate executive sessions. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Committee Authority and Responsibilities

The Committee shall have the sole authority to appoint, retain or replace the independent auditor. The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.

The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, which are approved by the Committee prior to the completion of the audit.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and other related services, to any advisors employed by the Committee, and for the ordinary administrative expenses of the Committee in carrying out its duties.

The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Committee shall make regular reports to the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall review and discuss with management and the independent auditor the annual audited financial statements, the form of audit opinion to be issued by the independent auditor on the financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A), and recommend to the Board whether the audited financial statements and MD&A should be included in the Company's Form 10-K. The Committee shall discuss with management and the independent auditor the Company's quarterly financial statements and the related MD&A prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.

The Committee, to the extent it deems necessary or appropriate, shall:

Financial Statement and Disclosure Matters

1. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Review and discuss annually reports from the independent auditors on:
 - a. All critical accounting policies and practices to be used in the audit.
 - b. All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
 - c. Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

3. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with the independent auditor the matters required to be discussed by Public Accounting Oversight Board ("PCAOB") Auditing Standards No. 16 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
5. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
6. To consider questions of possible conflicts of interest, review, approve and oversee all related party transactions as defined in applicable rules of the national securities exchange on which the Company's securities are listed and develop policies and procedures for the Committee's approval of related party transactions.

Oversight of the Company's Relationship with the Independent Auditor

1. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
2. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit. Approve in advance all services whether or not related to the audit, ensuring that prohibited non-audit services are not performed.
3. The independent auditor shall submit to the audit committee annually a formal written statement delineating all relationships between the independent auditor and the Company ("Statement as to Independence"), addressing each non-audit service provided to the Company and the matters required by Public Accounting Oversight Board Rule 3526.
4. At least annually, obtain and review a report by the Company's independent auditors that describes (1) the accounting firm's internal quality control procedures, and (2) any material issues raised by the most recent internal quality control review, peer review or PCAOB review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues.

Oversight of the Company's Internal Audit Function

1. Review the appointment, performance and replacement of the Chief Audit Executive.
2. Review the significant reports to management prepared pursuant to the internal audit function together with management's responses and follow-up to these reports.
3. Discuss with the independent auditor and management internal audit responsibilities, budget, qualifications and staffing and any recommended changes in the planned scope of the internal audit.
4. Review for completion of annual regulatory requirements such as FDICIA, 12 CFR 9 (trust audits), corporate insurance coverage, and business continuity.

Compliance Oversight Responsibilities

1. Obtain from the independent auditor assurance that in the course of conducting the audit, there have been no acts detected or that have otherwise come to the attention of the audit firm that require disclosure to the Committee under Section 10A(b) of the Exchange Act (*Required Response to Audit Discoveries*).
2. Obtain reports from management, the Company's Chief Audit Executive and the independent auditor that the Company is in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
3. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports, which raise material issues regarding the Company's financial statements or accounting policies.
4. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Amendment

This Audit Committee Charter may be amended by the Committee, with substantial changes approved by the Board subject to disclosure and other provisions of the Securities Exchange Act of 1934, as amended, and the applicable rules of the securities exchange on which any of the Company's securities are traded.

Adopted: August 6, 2013