

SELECT MEDICAL HOLDINGS CORPORATION
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose.

The Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Select Medical Holdings Corporation (the “Company”) is appointed to (1) assist the Board by identifying individuals qualified to become Board members and members of Board committees, to recommend to the Board the director nominees for the next annual meeting of stockholders and to recommend to the Board nominees for each committee of the Board, (2) lead the Board in its annual review of the Board’s and management’s performance, (3) monitor the Company’s corporate governance structure, (4) develop and recommend to the Board a set of Corporate Governance Guidelines and a Code of Business Conduct and Ethics applicable to the Company and (5) assist the Board in monitoring the compliance by the Company with applicable legal and regulatory requirements.

Composition.

The Committee shall consist of not less than two (2) members selected by the full Board, each of whom shall satisfy the independence requirements established by the New York Stock Exchange (the “NYSE”) (including that the Company may avail itself of the transition period contained in Section 303A of the NYSE Listed Company Manual with respect to the Committee). Each committee member shall be appointed for a term of one (1) year at the meeting of the Board held in conjunction with the Company’s Annual Meeting of Stockholders. The Chair of the Committee shall be designated by the Board. Committee members may be removed and replaced by the Board.

Meetings of the Committee.

The Committee shall meet at such times and from time to time as it deems appropriate, but not less than once each year. Special meetings may be convened as the Committee deems necessary or appropriate. The Committee may invite to any of its meetings other directors, members of Company management and such other persons as it deems appropriate in order to carry out its responsibilities.

The Committee shall report to the Board at each regularly scheduled Board meeting on significant results of its activities.

A majority of the members of the Committee shall constitute a quorum to transact business. Members of the Committee may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear and understand each other. Except in extraordinary circumstances as determined by the Committee’s chair, notice shall be delivered to all Committee members at least forty eight (48) hours in advance of the scheduled meeting.

The affirmative vote of a majority of the members of the Committee present at the time of such vote will be required to approve any action of the Committee. Subject to the requirements of any applicable law, regulation or NYSE rule, any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if a consent in writing, setting forth the action

so taken, is signed by all of the members of the Committee. Such written consent shall have the same force as a unanimous vote of the Committee.

The Committee may, in its discretion, utilize the services of the Company's regular corporate legal counsel with respect to legal matters or, at its discretion, retain other legal, accounting or other advisors if the Committee determines that such counsel or advisor is necessary or appropriate under the circumstances. The Committee shall have sole authority to approve all fees and terms of engagement of such advisors, and the Company shall provide sufficient funding for the payment of any such advisors retained by the Committee.

General Authority.

The affirmative vote of a majority of the members of the Committee present at the time of such vote will be required to approve any action of the Committee. Subject to the requirements of any applicable law, regulation or rule, any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all members of the Committee. The Committee shall have the authority to confer with Company management and other employees to the extent it deems necessary or appropriate to fulfill its responsibilities. The Committee is authorized to conduct or initiate inquiries or investigations into any matters within the Committee's scope of responsibilities and shall have full access to the books, records, facilities and personnel of the Company. The Committee is further authorized to retain at the expense of the Company outside legal or other expert advice, including a search firm to be used to identify director candidates, to the extent it deems necessary or appropriate from time to time; provided that the Committee keeps the Board reasonably informed as to the nature and extent of such outside advice.

Committee Authority and Responsibilities.

The Committee shall have full power and authority to carry out the following activities, for which it shall have responsibility:

Composition, Performance and Compensation of the Board.

1. Qualifications. Develop qualifications and other criteria for individual candidates for the Board including, without limitation, background, technical and industry-specific skills, affiliations and personal characteristics.
2. Identification, Evaluation and Recommendation. In consultation with, and with the assistance of, the Chairperson and the Chief Executive Officer, the Committee shall: (i) identify candidates for election or re-election to the Board, including candidates recommended by the Company's stockholders, (ii) gather information on such candidates, (iii) conduct interviews and hold meetings with candidates, (iv) make recommendations to the full Board as to particular candidates to fill vacancies on the Board from time to time and (v) make recommendations to the full Board as to the slate of candidates for election or re-election to the Board to be presented to the stockholders for consideration at the Company's Annual Meeting of Stockholders.
3. Composition. Review the composition and size of the Board as a whole, in order to ensure that the Board has the appropriate experience, expertise and perspective that the Company believes will foster the effective functioning of the Board and will best promote the interests of the Board, the Company and its stockholders.

4. Evaluation of Board and Individual Directors. On a regular basis, but not less frequently than annually, conduct an assessment and evaluation of the performance of the Board, as a whole, and the directors individually. Make recommendations to the full Board as to whether individual members should stand for re-election.

Succession Planning.

1. Company Executives. In consultation with the Chief Executive Officer, review succession planning relating to the Company's Chief Executive Officer as well as other key members of Company senior management. Require the Chief Executive Officer to prepare and update regularly his or her recommendation as to the individual who should succeed him or her in such position in the event he or she becomes unable to perform the duties of the office.

2. Board Members. Plan for continuity on the Board as existing Board members retire or rotate off the Board.

Board Committees.

1. Compliance. Review on an annual basis the compliance by each committee of the Board with the Company's committee structure, size and composition rules, including holding the required number of meetings and providing to the full Board reports as to that committee's activities.

2. Composition of Committees. In consultation with the Chairperson, recommend to the full Board individual directors to serve as members and chairpersons of the various committees and recommend changes to the composition of committees from time to time. Ensure that each committee is comprised of members with experience and expertise sufficient for the committee to perform its responsibilities, and reflecting the diversity of perspective and background discussed above.

3. Performance Review. Review on an annual basis its own performance and report the results of such review to the Board.

Governance

1. Compliance. Review on an annual basis the Board's compliance with Securities and Exchange Commission and NYSE rules, including (if appropriate) preparation and review of any required Committee report for the Company's annual report or proxy statement.

2. Corporate Governance Guidelines. Develop and recommend to the Board for its approval a set of Corporate Governance Guidelines applicable to the Company. Review periodically the adequacy of the Corporate Governance Guidelines and recommend any proposed changes to the Corporate Governance Guidelines to the Board for its approval. Review on an annual basis the Company's compliance with the Corporate Governance Guidelines.

3. Consultation. Consult with the Chairperson and the Chief Executive Officer with respect to carrying out the responsibilities of the Committee and implementing those recommendations of the Committee adopted by the Board.

Conflicts of Interest.

1. Other Directorships and Affiliations. In connection with the Company's filing of its Annual Report on Form 10-K, the Committee shall review the independence and other qualifications of Board members, consider questions of possible conflicts of interest between Board members or management and the Company and its subsidiaries, and monitor all other activities of Board members or management that could interfere with such individuals' duties to the Company.

2. Addressing Conflict of Interest Situations. Identify, analyze and, if possible, resolve actual and potential conflicts of interest a Board member has or may have. In connection with actual or potential conflicts of interest, issue to such member instructions concerning the manner in which he or she is to conduct himself or herself, as applicable, in matters that are, or may come, before the Board including, without limitation, recusal of the member from the Board's consideration of matters implicated by such conflict of interest.

Stockholder Matters.

1. Charter and Bylaws. Periodically review the Restated Certificate of Incorporation and Amended and Restated Bylaws of the Company, as amended from time to time, and make recommendations to the Board with the objective of promoting good corporate governance.

2. Stockholder Meetings. Review the procedures and communication plans for stockholders meetings to ensure that the rights of stockholders (including the right to participate) are protected, that required information concerning the Company is adequately presented and that the meetings promote effective communication between the Company and its stockholders on matters of importance.

3. Other Stockholder Communications. Monitor the manner and frequency with which the Board and, particularly, the management of the Company communicate with stockholders between scheduled stockholders' meetings.

4. Code of Conduct. Annually review and reassess the adequacy of the Code of Business Conduct and Ethics, and recommend any proposed changes to the Code of Business Conduct and Ethics to the Board for its approval. The Committee shall consider any requests for waivers from or exceptions to the Code of Business Conduct and Ethics for directors or executive officers of the Company, and the Company shall make disclosure of such waivers or exceptions as required by applicable law, regulations and listing requirements.

Miscellaneous.

The Committee shall take such other actions regarding the matter of governance of the Company, including the adoption of principles of corporate governance, from time to time as the Committee deems necessary or appropriate to further and to protect the interests of the Company and its stockholders.

Effective Date.

This Nominating and Corporate Governance Committee Charter was adopted by the Board on September 17, 2009 and will become effective as of the date the Company's common stock is first listed on the NYSE. It is intended to supersede and replace any prior Nominating and Corporate Governance Committee Charter of the Company.