



**Flaherty & Crumrine Preferred Income Fund Incorporated
Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated
Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated
Flaherty & Crumrine/Claymore Total Return Fund Incorporated**

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

January 21, 2004 (as amended, January 24, 2011)

SECTION 1. MEMBERSHIP

- (a) The Nominating and Governance Committee (“Committee”) of the Board of Directors (the “Board”) of each of the above-named Funds (each, a “Fund” and collectively, the “Funds”) shall consist of three or more Directors who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940, as amended, and who are appointed by the Board from time to time.
- (b) The Board must affirmatively determine that each Committee member is “independent” (as such term is defined by the New York Stock Exchange’s listing standards).
- (c) The Committee shall appoint its Chairperson by a majority vote.
- (d) The compensation of the Committee members shall be as determined by the Board.

SECTION 2. PURPOSES

- (a) The Committee shall identify individuals qualified to become Board members.
- (b) The Committee shall recommend to the Board persons to be nominated by the Board for election as Directors at the annual meeting of shareholders and to fill any vacancies on the Board.
- (c) The Committee shall oversee the Board governance practices of the Funds.

SECTION 3. NOMINATION AND APPOINTMENT POLICY

- (a) The Board and the Committee believe that it is in the best interest of the Fund and its shareholders to obtain highly-qualified candidates to serve as members of the Board of Directors. The Board and the Committee believe that Directors need to have the ability to critically review, evaluate, question and discuss information provided to them, and to interact effectively with Fund management, service providers and counsel, in order to exercise effective business judgment in the performance of their duties. In evaluating potential Director nominees (including any nominees recommended by shareholders as provided below) in light of this standard, and to address certain legal and other requirements and considerations associated with composition of the Board, the Committee may consider such other factors as it deems appropriate: educational background; business, professional training or practice (e.g., accounting or law); public service or academic positions; experience from service as a board member (including the Board) or as an executive of investment funds, public companies or significant private or not-for-profit entities or other organizations; and/or other life experiences.
- (b) In addition, the Committee may consider whether a potential nominee’s professional experience, education, skills and other individual qualities and attributes, including



gender, race or national origin, would provide beneficial diversity of skills, experience or perspective to the Board's membership and collective attributes. Such considerations will vary based on the Board's existing membership and other factors, such as the strength of a potential nominee's overall qualifications relative to diversity considerations.

SECTION 4. RESPONSIBILITIES

- (a) The Committee shall identify individuals believed to be qualified to become Board members and recommend to the Board the nominees to stand for election as Directors at the annual meeting of shareholders. The Committee shall also identify and recommend the persons to be elected by the Board to fill any vacancies on the Board.
- (b) The Committee will consider Director candidates recommended by shareholders and submitted in accordance with applicable law and procedures described in the Fund's proxy statement and By-laws.
- (c) The Committee shall be responsible for reviewing with the Board the requisite skills and criteria for new Board members as well as the composition of the Board as a whole.
- (d) The Board may adopt specific criteria for selecting Directors. The Committee shall use any such criteria to guide its Director selection process. Such guidelines may include specific procedures for the consideration and evaluation of any Director candidates recommended by shareholders.
- (e) The Committee shall review, as it deems necessary, and make recommendations with regard to the tenure of the Directors, including any term limits, limits on the number of boards of directors on which a Director may sit and mandatory retirement age.
- (f) The Committee shall have the authority to retain and terminate any search firm to be used to identify Director nominees.
- (g) The Committee shall be responsible for overseeing an annual self-assessment of the Board and its committee structure to determine whether the Board and its committee structure are functioning effectively. The Committee shall determine the nature of the assessment, supervise and conduct the assessment, and discuss the assessment with the Board.
- (h) The Committee shall from time to time review the compensation paid to non-management Directors and make recommendations to the full Board for its consideration on such matters.
- (i) The Committee shall have the authority to delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.
- (j) The Committee shall have any other duties or responsibilities expressly delegated to the Committee by the Board from time to time. These duties or responsibilities would generally be expected to relate to the nomination of the Board or any committee members or to corporate governance matters.

SECTION 5. PROCEDURAL MATTERS

- (a) The Committee shall meet at least once a year.



- (b) The Committee shall keep written minutes of its meetings, which minutes shall be maintained within the books and records of the Fund, and the Committee shall report to the Board on its meetings.
- (c) The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- (d) The Committee shall have the resources and authority to make reasonable expenditures, including expenditures to retain any experts and counsel related to the aforementioned duties and tasks that will be reimbursed by the Fund.