

Elio Motors, Inc.
Nominating and Corporate Governance Committee
of the Board of Directors — Charter

I. PURPOSE

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Elio Motors, Inc. (the “Company”) shall be to review and make recommendations to the Board on matters concerning corporate governance; Board composition; identification, evaluation and nomination of director candidates; Board committees; and conflicts of interest. In furtherance of these purposes, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

II. MEMBERSHIP

The Committee shall consist of at least two members of the Board. The Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Board may designate one member of the Committee as its chair. The Committee may form and delegate authority to subcommittees when appropriate. Members of the Committee shall not have a relationship with the Company or its affiliates that may interfere with the exercise of their independence, and shall otherwise be deemed “Independent Directors” as defined by the listing standards of the NASDAQ Stock Market (the “NASDAQ Rules”); *provided, however*, that the Company may avail of itself of any phase-in rules and/or other exemptions applicable to the Company.

III. RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the Committee may include (and shall include if required by applicable law, rule or regulation) the following:

A. Corporate Governance Generally

- Reviewing annually compliance with and the relevance of corporate governance guidelines and principles approved by the Board and recommending changes to the Board as necessary;
- Determining the manner in which stockholders may send communications to the Board (as a whole or individually), as well as the process by which stockholder communications will be relayed to the Board and what the Board’s response, if any, should be;
- Reviewing governance-related stockholder proposals and recommending Board responses;
- Overseeing compliance by the Board and its committees with applicable laws and regulations, including those promulgated by the Securities and Exchange Commission and the NASDAQ Rules, as applicable;
- Reviewing its own charter and processes on an annual basis; and
- Conducting an annual evaluation of the Committee’s own performance.

B. Board Composition, Evaluation and Nominating Activities

- Overseeing the Board evaluation process including conducting periodic evaluations of the performance of the Board as a whole and each Board committee, and evaluating the performance of Board members eligible for re-election;
- Reviewing and making recommendations to the Board regarding the composition and size of the Board and determine the relevant criteria (including any minimum qualifications) for Board membership including issues of character, integrity, judgment, diversity, age, independence, skills, education, expertise, business acumen, business experience, length of service, understanding of the Company's business, and other commitments;
- Establishing procedures for the submission of candidates for election to the Board (including recommendations by stockholders of the Company);
- Establishing procedures for identifying and evaluating nominees for Director;
- Reviewing and recommending candidates for election to the Board (including candidates proposed by stockholders of the Company) at the annual meeting of stockholders;
- Identifying, considering and recommending candidates to fill new positions or vacancies on the Board; in performing these duties, the Committee shall have the authority, at the Company's expense, to retain and terminate any search firm to be used to identify Board candidates and shall have authority to approve the search firm's fees and other retention terms;
- Reviewing the disclosure included in the Company's proxy statement regarding the Company's nomination process; and
- Making recommendations for continuing education of Board members.

C. Conflicts of Interest

- Considering questions of possible conflicts of interest of Board members and of corporate officers; and
- Reviewing actual and potential conflicts of interest of Board members and corporate officers, other than related-party transactions reviewed by the Audit Committee, and approving or prohibiting any involvement of such persons in matters that may involve a conflict of interest or taking of a corporate opportunity.

IV. MEETINGS

The Committee will meet as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities. The Committee may meet at such times and places as the Committee determines. The Committee may establish its own meeting schedule, which it will provide to the Board. The Committee may invite to its meetings other Board members, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

V. REPORTS

The Chair of the Committee shall make regular reports to the full Board on the actions and recommendations of the Committee.

VII. DELEGATION OF AUTHORITY

The Committee may form and delegate its authority to one or more subcommittees, as it deems appropriate in its sole discretion provided such delegation is allowed by applicable law, rules and regulations and the NASDAQ Rules.

VIII. RESOURCES

The Committee is authorized to obtain at the Company's expense data, advice, consultation and documentation as the Committee considers appropriate and to retain at the Company's expense consultants, independent counsel or other advisers selected by the Committee to advise or assist the Committee in the performance of any of the responsibilities and duties set forth above, or for any other matter related to the Committee's purposes.

IX. COMMITTEE ACCESS

The Committee is at all times authorized to have direct, independent and confidential access to the Company's other directors, executive officers, management and personnel to carry out the Committee's purposes.

These policies and procedures are not intended to create inflexible requirements, and are not intended to interpret applicable laws and regulations, or to modify the Company's articles of incorporation or its bylaws.