

PIPER JAFFRAY COMPANIES DIRECTOR NOMINEE SELECTION POLICY

Director Nominee Selection Process

The Nominating and Governance Committee will select nominees for directors pursuant to the following process:

- the identification of director candidates by the Nominating and Governance Committee based upon suggestions from current directors and senior management, recommendations by shareholders and possibly a director search firm;
- a review of the candidates' qualifications by the Nominating and Governance Committee to determine which candidates best meet the Board's required and desired criteria;
- interviews of interested candidates among those who best meet these criteria by the Chairperson of the Nominating and Governance Committee and one other Committee member, and by the Chief Executive Officer;
- a report to the Board by the Nominating and Governance Committee on the selection process;
- recommendation of nominees to the Board; and
- formal nomination by the Board for inclusion in the slate of directors for the annual meeting of shareholders or appointment by the Board to fill a vacancy during the intervals between shareholder meetings.

A shareholder who wishes to recommend a director candidate to the Board for nomination by the Board at the annual meeting or for vacancies of the Board that arise between meetings must timely provide the Committee with sufficient written documentation to permit a determination by the Board whether such candidate meets the required and desired director selection criteria set forth in the Company's Bylaws, Corporate Governance Principles and this policy. Such documentation and the name of the director candidate must be addressed to the Chairperson, Nominating and Corporate Governance Committee, Piper Jaffray Companies, 800 Nicollet Mall, Suite 800, Mail Stop J09N05, Minneapolis, Minnesota 55402, by U.S. mail.

Alternatively, shareholders may directly nominate a person for election to the Company's Board of Directors by complying with the procedures set forth in the Company's Bylaws, any applicable rules and regulations of the Securities and Exchange Commission and any applicable laws.

Director Selection Criteria

The Company's directors must demonstrate high standards of ethics, integrity and professionalism, independence, sound judgment, community leadership and meaningful experience in business, law or finance or other appropriate endeavor. In addition, the Company's directors must be committed to representing the long-term interests of the Company's shareholders.

In evaluating candidates for nomination as a director, the Nominating and Governance Committee will consider the minimum qualifications set forth above in addition to other factors it deems appropriate based on the current needs and desires of the Board, including specific business and financial expertise currently desired on the Board, experience as a director of a public company, geography, age, gender and ethnic diversity. The Nominating and Governance Committee will reassess the qualifications of a director, including the director's past contributions to the Board and the director's attendance and contributions at Board and Committee meetings, prior to recommending a director for reelection to another term.