

## **GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

### **I. GENERAL FUNCTIONS, AUTHORITY, AND ROLE**

The governance and nominating committee is a committee of the board of directors. Its primary function shall be to identify and recommend individuals qualified to become director nominees for election to the Company's Board of Directors, to identify and recommend candidates to fill vacancies occurring between annual shareholder meetings, and to review, evaluate and recommend changes to corporate governance guidelines.

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The responsibilities of a member of the governance and nominating committee shall be in addition to such member's duties as a member of the board of directors.

### **II. MEMBERSHIP**

The membership of the governance and nominating committee shall consist of at least two members of the board of directors who shall serve at the pleasure of the board of directors. All members of the governance and nominating committee shall meet the independence and experience requirements of The Nasdaq Stock Market, Inc. or similar requirements of such other securities exchange or quotation system as may from time to time apply to the company (including any applicable exceptions therefrom as may be in the best interests of the company and its stockholders).

Governance and nominating committee members and the committee chair shall be appointed annually for one-year terms by a majority of the full board of directors. Vacancies on the committee shall be filled by majority vote of the board of directors at the next meeting following the occurrence of the vacancy or as soon as practicable thereafter. No member of the committee may be removed except by majority vote of the independent directors then in office.

### **III. RESPONSIBILITIES**

The responsibilities of the governance and nominating committee shall be as follows:

- The Committee will meet once annually, or more frequently as circumstances dictate. A majority of the members of the Committee will constitute a quorum for the transaction of business.
- Annually evaluate and report to the Board on the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of the company's stockholders.
- Annually present to the Board a list of individuals recommended for nomination for election to the Board at the annual meeting of stockholders.
- Before recommending an incumbent, replacement or additional director, review his or her qualifications, including capability, availability to serve, independence, conflicts of interest, and other relevant factors. Assist the Board in establishing the minimum qualifications for a director nominee.

- Assist in identifying, interviewing and recruiting candidates for the Board.
- Establish policies regarding the consideration of any director candidates recommended by the company's stockholders. Establish procedures to be followed by stockholders in submitting such recommendations.
- Annually review the composition of each committee and present recommendations for committee memberships to the Board as needed.
- Regularly review and make recommendations about changes to the charter of the Governance and Nominating Committee.
- Regularly review and make recommendations about changes to the charters of other Board committees after consultation with the respective committee chairs.
- Develop, assess annually, and make recommendations to the Board concerning, appropriate corporate governance policies.
- Oversee the company's management continuity planning process and advise the board of directors regarding the company's management succession planning.
- Perform such other functions as may be assigned by law, the listing standards, Securities and Exchange Commission rules, the company's certificate of incorporation or bylaws, or the Board.

In addition, the Chair of the Committee will be responsible for leading the Board's annual review of Board and executive management performance.