

# Nominating and Corporate Governance Committee Charter

## 1. Purpose:

The Nominating and Corporate Governance Committee (this “Committee”) shall (a) identify individuals qualified to become Board of Director members, (b) recommend to the Board of Directors the director nominees for the next annual meeting of shareholders, (c) develop and recommend to the Board of Directors a set of corporate governance principles, (d) lead the Board of Directors in complying with its corporate governance principles and (e) review and make recommendations to the Board of Directors concerning Director compensation. This Committee is committed to ensuring that (i) the nominees for membership on the Board of Directors are of the highest possible caliber and are able to provide insightful, intelligent and effective guidance to the management of the Company and (ii) the governance of the Company is in full compliance with law, reflects generally accepted principles of good corporate governance, encourages flexible and dynamic management without undue burdens and effectively manages the risks of the business and operations of the Company.

## 2. Composition:

The membership of this Committee shall consist of at least 3 directors, appointed annually by the Board of Directors and all of whom shall be independent. Independence for membership purposes shall be established in accordance with the rules and regulations of the Securities and Exchange Commission and NASDAQ, and a Board of Directors determination that such individual has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Given the leadership significance of this Committee, it is anticipated (although not required) that all members will have been members of the Board of Directors for at least one year before appointment to this Committee.

A Director may be removed from this Committee by the Board. A Director may resign as a member of the Committee upon notice to the Secretary of the Company and the Chairman of the Board.

The Board of Directors shall appoint the Chairman of the Committee at its first meeting after each annual meeting of the shareholders.

## 3. Goals and Responsibilities:

This Committee’s goals and responsibilities shall be:

1. Identification of the requisite skills and characteristics to be found in individuals qualified to serve as members of the Board of Directors and utilization of such

criteria in this Committee's recommendation of new directors. As part of this process, this Committee shall ensure that the Board of Directors consists of individuals from diverse educational and professional experiences and backgrounds who, collectively, provide meaningful counsel to management. In making its recommendations, this Committee will consider, among others, candidates recommended by the Chairman of the Board and the Chief Executive Officer and submissions from shareholders. This Committee will conduct appropriate and necessary inquiries into the background and qualifications of possible candidates, and shall actively recruit qualified individuals.

2. Oversight of the evaluation of the Board of Directors and management. In this regard the Committee shall, without limitation,
  1. Evaluate, and report to the Board of Directors, the effectiveness of the Board of Directors (as a whole) and each Committee of the Board of Directors (as a whole) (including, without limitation, the effectiveness of the Compensation Committee in its process of establishing goals and objectives for, and evaluating the performance of, the Chief Executive Officer and the other officers of the Company). In this process, the Committee shall receive comments from all Directors and shall review each Committee's review of its performance.
  2. Upon request or as required, review performance, qualification or other related issues concerning Board members.
  3. Review the functions of the officers of the Company.
3. Work with the Chairman and recommend to the Board of Directors director nominees for each Committee and each Committee chair.
4. Oversight for the corporate governance of the Company, advising the Board of Directors and its Committees on effective management and leadership. In this regard this Committee shall
  1. Develop and recommend to the Board of Directors a set of corporate governance guidelines;
  2. At least annually review, and recommend to the Board of Directors appropriate changes, if any, to, the articles of incorporation, by-laws, corporate governance guidelines, this charter and the charters of the other committees of the Board of Directors, the code of business conduct, ethics statement, and code of ethics applicable to executive management. Such review shall consider, without limitation:
    1. The structure, duties, size, membership and functions of the Board of Directors and its Committees.
    2. The format and frequency of meetings of the Board of Directors and its Committees.
    3. The performance of the Board of Directors (as a whole) and each Committee of the Board of Directors (as a whole).
  3. Consider and advise the Board of Directors with respect to questions of actual, apparent and potential violations of the code of ethics applicable to executive management and, to the extent involving Directors or officers, the code of business conduct and ethics, including conflicts of interest between Directors or officers and the Company. Such activities shall

include a review of the outside activities of Directors and officers. While this Committee intends to be proactive in this area, this Committee is mindful that it is the obligation of each Director and officer to bring to the attention of this Committee any actual, apparent or possible conflict of interest.

4. Keep informed as to current requirements and trends in corporate governance to ensure that the Company is fully compliant with law and engaging in appropriate corporate governance practices.
5. Reviewing the amount and nature of Director compensation and making recommendations to the Board with respect to the same.
6. Regularly reporting its activities to the Board.
7. Evaluating the performance of this Committee.
8. Performing such other responsibilities as may be delegated to it by the Board of Directors.
9. Except as noted above, this Committee shall perform each of its goals and responsibilities at least annually, but more often if this Committee shall determine necessary or appropriate.

#### **4. Committee Powers:**

This Committee shall have the following powers:

1. The sole power to retain and terminate any search firm to be used to identify director candidates, including the authority to approve the search firm's fees and other retention terms. Any such consultant shall report directly to this Committee.
2. To obtain advice and assistance from internal or external legal, accounting or other advisors and to have direct access to such advisors without the presence of any officer of the Company.
3. To interview and meet with any employee of the Company without the presence of any officer of the Company.
4. To form and delegate authority to subcommittees.
5. Such other powers as may be necessary or appropriate to fulfill its purposes.

#### **5. Meetings:**

This Committee shall meet at least annually, or more frequently as circumstances dictate. A majority of the members of this Committee shall constitute a quorum for the transaction of business. The agenda of each Committee meeting shall be established by the Chairman with the assistance of appropriate members of management. Each Committee member is free to suggest the inclusion of items on the agenda. Each Committee member is free to raise at any Committee meeting subjects that are not on the agenda for that meeting.