

## CHARTER

### NOMINATION AND GOVERNANCE COMMITTEE

#### PURPOSE

To oversee and recommend to the Board of Directors for approval the Corporation's basic governance policies and objectives.

#### I. NOMINATIONS AND GOVERNANCE.

This Committee's goals and responsibilities with respect to the nomination of directors and corporate governance shall be:

- a. *Identification of individuals with the requisite skills and characteristics to be qualified to serve as members of the Board of Directors.* As part of this process, this Committee shall endeavor to create a Board of Directors consisting of individuals who are financially literate and whose experiences and backgrounds will enable the Board of Directors to provide meaningful counsel to and oversight of management. This Committee shall recommend nominees who will create or maintain a Board of Directors that satisfies applicable legal and regulatory requirements.

In selecting nominees for election to the Board of Directors, this Committee will consider, among others, submissions from shareholders. A shareholder wishing to recommend a prospective nominee for the Board may notify the Corporation's Corporate Secretary or any member of the Committee in writing and may submit whatever supporting material the shareholder considers appropriate. This Committee will conduct appropriate inquiries into the background and qualification of possible candidates, and shall actively recruit qualified individuals.

The Committee periodically shall review each directors' continuation on the Board.

- b. *Oversight of the evaluation of the Board of Directors and management.* In this regard the Committee shall, without limitation,
  - i. Upon request of the Board of Directors, review performance, qualification or other related issues concerning Board members.

- ii. Review, at such times as the Committee deems appropriate, the functions of the elected officers of the Corporation.
- c. *Oversight for the corporate governance of the Corporation, advising the Board of Directors and its Committees on effective management and leadership.* In this regard this Committee shall:
  - i. Periodically review the Certificate of Incorporation, by-laws, corporate governance guidelines, this charter, the charters of the other committees of the Board of Directors, the code of business conduct and ethics and/or other corporate governance documents and, if the Committees deems it appropriate, recommend to the Board of Directors suitable changes to such documents. Such review shall consider, without limitation,
    - a. The structure, duties, size, membership and functions of the Board of Directors and its Committees.
    - b. The format and frequency of meetings of the Board of Directors and its Committees.
  - ii. Consider and advise the Board of Directors and the Audit Committee with respect to questions of actual, apparent and possible conflicts of interest of Directors and officers of the Corporation. Such activities shall include a review of the outside activities of Directors and officers. Each Director and officer of the Corporation shall be obligated to bring to this Committee's attention, any actual, apparent or possible conflict of interest.
  - iii. Develop and implement a process for the periodic evaluation of the Board of Directors and its Committees.
- d. *Regularly reporting its activities to the Board.*
- e. *Performing such other responsibilities as may be delegated to it by the Board of Directors.*

## **II. Committee Powers.**

This Committee shall have the following powers:

- a. To retain or 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.

- b. 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 Corporation.
- c. To interview and meet with any employee of the Corporation without the presence of any officer of the Corporation.
- d. To form and delegate authority to subcommittees.
- e. Such other powers as may be necessary or appropriate to fulfill its purposes.

III. **Meetings:** This Committee shall meet at least two times a year, 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 Chairperson with the assistance of the Corporate Secretary, the Corporation's Human Resources Department or other persons selected by the Chairperson.

IV. **Members:** This Committee will consist of at least three (3) independent directors, as determined by the Board of Directors. The Board shall affirmatively determine that each independent director has no relationship with the Corporation that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In no event shall a director be considered independent until a three-year "cooling off" period has elapsed from the end of the following relationships:

- a. Being employed by, or having a Family Member<sup>1</sup> who is employed as an executive officer of the Corporation, or any parent or subsidiary of the Corporation;
- b. Having accepted payments or having a Family Member who accepted payments from the Corporation, or any parent or subsidiary of the Corporation, in excess of \$60,000, other than compensation for board or committee service; payments arising solely from investment in the Corporation's securities; compensation paid to a Family Member who is a non-executive employee of the Corporation or any parent or subsidiary of the Corporation; benefits under tax-qualified retirement plans, or nondiscretionary compensation; or loans permitted under Section 13(k) of the Exchange Act;

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<sup>1</sup> The term "Family Member" is defined as a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

- c. Being a partner, or having a Family Member who is a partner, of the Corporation's outside auditor, or had been a partner or employee of such outside auditor who worked on the Corporation's audit;
- d. Being a part of an interlocking directorate in which an executive officer of the Corporation served on the compensation committee of another company that concurrently employed the director, or a Family Member of the director, as an executive officer;
- e. Being an executive officer, partner or controlling shareholder, or having a Family Member who is any of the foregoing, of an organization (including not-for-profit entities) to which the Corporation made, or from which the Corporation received, payments that exceed the greater of 5% of the recipient's gross revenues for that year or \$200,000, other than payments arising solely from investments in the Corporation's securities or payments under non-discretionary charitable contribution matching programs. See NASDAQ Rule 4200(a)(15).

Notwithstanding the foregoing, a director who is not independent and is not an employee of the Corporation may serve on the Committee if the Board (under exceptional and limited circumstances) determines that it is in the best interests of the Corporation and its shareholders and the Board discloses such relationship and the reason for the determination in its next annual proxy statement.