

Governance and Nominating Committee

Statement of Purpose

The purpose of the Governance and Nominating Committee (the "Committee") is to (i) review and recommend a set of corporate governance principles applicable to the Company, (ii) serve as the Company's nominating committee to recommend a slate of director nominees to be proposed by the Board of Directors (the "Board") to the stockholders (and recommend any director nominees to be elected by the Board to fill interim vacancies), and (iii) recommend directors for membership on Board committees. If a director believes that a significant issue exists that involves corporate governance at the Company, that director should promptly bring such issue directly to the attention of the Committee. Absent unusual circumstances, discussion with the Committee should occur prior to raising the matter with other directors or members of management.

Organization

The Committee shall be comprised of at least two members of the Board who shall satisfy the independence requirements of The NASDAQ Stock Market. Members of the Committee shall be appointed by the Board, and the Board may remove members of the Committee from such Committee, with or without cause.

Duties and Responsibilities

The following functions shall be the recurring activities of the Committee in carrying out its responsibilities. The functions are set forth as a guide and may be varied from time to time as appropriate under the circumstances.

1. **Director Nominees.** The Committee shall be responsible for recommending to the Board nominees for election as directors and assisting the Board in identifying and recruiting such individuals for membership on the Board. The Committee shall set a process for identifying and evaluating nominees, and shall develop a profile of various attributes that a potential member of the Board should possess in order to contribute effectively to the Board, and shall determine and periodically review its criteria for Board membership. In fulfilling its responsibility to nominate directors, the Committee shall have the authority to retain a director search firm.
2. **Committee Nominees.** The Committee shall recommend to the Board qualified individuals to serve as committee members on the various Board committees. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.
3. **Board Performance.** The Committee shall annually review the performance, operations and composition of the Board.
4. **Board Independence.** The Committee shall monitor and safeguard the independence of the

Board (assuring that a majority of the board continues to be independent) and review any potential conflict of interest between a Director and the Company or between a Director and a member of senior management.

5. **Director Education.** The Committee shall evaluate the need and, if necessary create a plan for the continuing education of directors as specifically related to service on the Company's Board and Board committees.
6. **Corporate Governance Guidelines.** The Committee shall periodically assess and review the Company's Corporate Governance Guidelines and recommend any changes deemed appropriate to the Board for its consideration.
7. **Generally.** The Committee shall review such other matters as the Board or the Committee shall deem appropriate.

Procedures and Administration

1. **Meetings.** The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate. The Committee shall report regularly to the Board on its activities.
2. **Action.** Action may be taken by the Committee (or any subcommittee of the Committee) upon the affirmative vote of a majority of the members of the Committee (or subcommittee); provided, however, at any time the Committee consists of two members, if one member recuses himself or herself due to a potential conflict of interest, action may be taken by the other member. Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing.
3. **Notice.** Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four hours prior to the meeting (provided that participation in any meeting shall be deemed to constitute waiver of any deficiency in such notice).
4. **Sub-Committees.** The Committee shall have the authority to delegate to subcommittees of the Committee any responsibilities of the full Committee.
5. **Charter.** The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
6. **Independent Advisors.** The Committee is authorized, without further action by the Board, to engage such independent legal, accounting, and other advisors as it deems necessary or appropriate to carry out its responsibilities.
7. **Expenses.** The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
8. **Committee Self-evaluation.** The Committee shall review its performance against the requirements of this Charter annually, and shall report to the Board on the results of such evaluation. The Committee's performance evaluation shall be conducted in such manner as the Committee deems appropriate.