

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, for approval by the Board of Directors, nominees who will create or maintain a Board of Directors that satisfies applicable legal and regulatory requirements. The Committee also shall recommend, for approval by the Board of Directors, a candidate for Chairman of the Board.

The Committee shall nominate, subject to approval by the Board of Directors, candidates for the Board of Directors' committees, which nominations shall include proposed chairmen of each of the Board of Directors' committees.

The Committee shall consider any director nominees recommended by the Corporation's shareholders, provided that such nominations are made pursuant to the procedures set forth in the Corporation's by-laws. 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.* In this regard the Committee shall, without limitation upon request of the Board of Directors, review performance, qualification or other related issues concerning Board members.
- c. *Oversight of 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 Committee 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.
- iv. Monitor compliance with the ownership guidelines for the Corporation's non-employee directors.
- v. Periodically review executive officer and director indemnification and insurance matters.
- vi. Periodically review the compensation arrangements of non-employee directors, and make recommendations to the Board for changes as deemed appropriate.
- 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, each of whom shall satisfy the independence and other membership requirements under applicable NASDAQ rules, as then in effect, and any applicable Securities and Exchange Commission rules or regulations. 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. Notwithstanding the foregoing, if the Committee is comprised of at least three members, a director who is not independent and is not currently an executive officer or employee of the Corporation, or a Family Member¹ of an executive officer of the Corporation, may be appointed to serve on the Committee (for a maximum of two years) if the Board (under exceptional and limited circumstances) determines that it is in the best interests of the Corporation, its shareholders and the Board discloses such relationship and the reason for the determination, and the Corporation's reliance on the exemption to applicable NASDAQ rules in its next annual proxy statement.

¹ 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