

## **NOMINATING COMMITTEE CHARTER**

### **PURPOSE**

The Nominating Committee shall carry out the Board's overall responsibility with respect to: (1) identifying and recommending candidates for appointment or election to the Board of Directors, (2) conducting searches to fill the positions of Company CEO and President, and (3) overseeing the evaluation of Board members.

### **COMMITTEE MEMBERSHIP**

The Nominating Committee shall consist of the Board Chairperson and members of the Compensation committee. Each member of the Committee must meet the independence requirements of the Nasdaq Marketplace Rules and applicable SEC rules and regulations.

### **COMMITTEE CHAIR**

The Board Chair shall serve as the Chair of the Nominating Committee. The Committee may appoint one of its members as Vice Chair, to carry out the duties of the Committee Chair in his or her absence.

### **MEETINGS**

The Nominating Committee shall meet as often as it determines to be appropriate, but it shall meet at least annually to recommend candidates for election to the Board. The Committee has no regular meeting schedule. The Committee may meet in executive sessions, without management present. The Committee Chair may request any officer or employee of the Company or the Company's outside advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

### **COMMITTEE REPORTS**

The Committee Chair shall report the Committee's activities and actions to the Board at the regular Board meeting next following each Committee meeting. The Committee may refer to the Board any matter that the Committee believes should be addressed by the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review the Nominating Committee's own performance.

### **SELECTION OF DIRECTORS**

The selection process for director candidates will include identification of candidates based upon suggestions from current directors, Company executives and shareholders. The process may include engagement of a director search firm and interviews by one or more of the Committee

members. The Committee shall report to the Board on the selection process, recommend one or more candidates to the Board and the Board shall make any final appointment to fill a vacancy and/or nominate a candidate for inclusion in the slate of directors to be considered at the annual or special meeting or shareholders.

### **CRITERIA FOR SELECTION OF DIRECTORS**

The Committee shall review each potential director based upon the following criteria:

- Diversity of background, experience and demographics
- Personal quality and character
- Community contacts and community knowledge
- Willingness to commit the necessary time to Board and Committee matters.
- Meet the by-law requirements
- Provide balance to the current board with individual qualifications and skills
- Dedication to the effective building of continuity within the existing board structure.

### **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Nominating Committee shall have all the authority of the Board to act or exercise corporate powers with respect to the following:

1. Recommending to the Board a slate of nominees to be presented to the shareholders for election to the Board of Directors at each annual or special meeting;
2. Considering and recommending to the Board the size of the Board of Directors on an annual basis;
3. Conducting executive searches for the Company's CEO and President.
4. Evaluating and recommending to the Board those individuals who should be appointed or elected to fill new positions on the Board and to fill vacancies in existing Board positions; and
5. Overseeing the evaluation of Board members.
6. The Committee may nominate a Chairman of the Board in a manner it considers in the best interest of the company at any given point in time.