

# **CORPORATE GOVERNANCE COMMITTEE**

## **CHARTER**

### **Purpose and Composition**

The Corporate Governance Committee (“Committee”) shall be a standing committee of the Board of Directors (“Board”). The Committee shall consist of a minimum of three and maximum of five independent directors. The Board shall designate one Committee member as Chairman, who shall preside over the meetings of the Committee and report Committee actions to the Board. The Committee shall have the responsibility for making recommendations to the Board with respect to the governance of the Company and the Board as follows:

### **Duties and Responsibilities**

#### **Corporate Governance**

1. Recommend to the Board amendments to the Articles of Incorporation and Bylaws.
2. Develop and review annually a set of Company corporate governance guidelines that are appropriate for the Company and that comply with applicable laws, regulations and listing standards. Recommend any desirable changes to the Board.
3. Make recommendations to the Board regarding governance policies and practices, including:
  - a. The structure, charter, practices and policies of the Board of Directors, including but not limited to:
    - Size and composition of the Board
    - Frequency and structure of Board meetings
    - Retirement age
    - New director orientation
    - Criteria for membership
    - Term of office
    - Stock ownership guidelines
    - Schedule of meetings and review of agenda
    - Independence of outside directors
    - Mix of management and independent directors (maintaining substantial majority of independent directors)
    - Conflict of interest issues
    - Other affiliations of the CEO
  - b. The structure and charter of Board committees
4. Ensure that processes are in place for annual CEO performance appraisal, CEO succession, and reviews of succession planning and management development.

**Corporate Governance Committee Charter**

5. Serve as the primary resource for the Board in evaluating issues of corporate governance and CEO succession.
6. Review proxy material and make recommendations to the Board regarding proxy material to be submitted to shareholders for consideration at the Company's annual shareholders' meeting.

**Board Governance**  
**Nominating Board Candidates**

7. Recommend criteria for membership on the Board, including age, expertise, business experience, character, independence and other board memberships of the candidate.
8. Review the qualifications of candidates and recommend to the Board nominees for election as members of the Board of Directors. Ensure that independent directors qualify as such under the listing standards of the New York Stock Exchange.

**Director Compensation**

9. Recommend a corporate philosophy and strategy governing director compensation and provide oversight and monitor the Company's program of director compensation and benefits to ensure consistency with the philosophy and strategy and compliance with applicable laws.
10. Recommend to the Board the program of compensation and benefits offered to nonemployee members of the Board.

**Committees**

11. Recommend to the Board policy regarding rotation of committee members and chairs.
12. Recommend to the Board, in accordance with Board policy:
  - Assignment of members to committees
  - Appointment of committee chairs
  - Rotation of committee members
  - Frequency of meetings
13. For the Corporate Governance Committee determine the following:
  - Committee member qualifications
  - Committee structure and operations
  - Committee member appointment and removal
  - No member of the Governance Committee shall be removed except by a majority vote of the independent directors then in office.

**Annual Assessment and Monitoring of Board Performance**

14. Conduct an annual self-assessment of the performance and effectiveness of the Board and its standing committees. Report results to the full Board.

**Corporate Governance Committee Charter**

15. Review annually the adequacy of this charter and make revisions as the Committee deems necessary.
16. Monitor and liaison with the Board on any director qualifications or resignation issues, including but not limited to:
  - Change in professional affiliations or status
  - Performance
  - Independence

**Investigations and Studies; Outside Advisors**

17. Conduct or authorize investigations into or studies of matters within the scope of the Committee's duties and responsibilities. Retain, at the Company's expense, outside advisors to carry out these investigations or studies as it deems necessary.
18. Retain or terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms, such fees to be borne by the Company.

**General**

19. Undertake from time to time additional activities within the scope of the Committee's Charter, as it may deem appropriate. Ensure this Charter is published on the Company's website.

**Meetings**

The Committee shall normally hold three to five meetings each year in order to accomplish the aforementioned duties and responsibilities. The Committee's Chairman or Chairman of the Board may call additional meetings as needed. The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Governance Committee deems appropriate. Appropriate officers of the Company shall provide staff support to the Committee.

Following each of its meetings, the Governance Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.