

# **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS**

## **- CHARTER -**

### **I. PURPOSE**

The purpose of the Nominating and Corporate Governance Committee is to ensure that the Board of Directors is appropriately constituted to meet its fiduciary obligations to the shareholders and the Company. To accomplish this purpose, the Nominating and Corporate Governance Committee develops and implements policies and processes regarding corporate governance matters, assesses Board membership needs, and makes recommendations regarding potential director candidates to the Board of Directors.

### **II. RESPONSIBILITIES**

- A. Evaluate the current size and composition of the Board and its Committees, determine future requirements, and make recommendations to the full Board for approval.
- B. Determine desired Board skills and attributes, and, in consultation with the CEO and Chairman, conduct searches for prospective Board members whose skills and attributes reflect those desired. Screen and evaluate nominees for election to the Board of Directors.
- C. Review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a significant change in status, including but not limited to an employment change, before considering re-nomination to the Board. Recommend termination of membership of individual directors in accordance with the Board's corporate governance principles, for cause or for other appropriate reasons.
- D. Evaluate performance and effectiveness of the Board as a whole by conducting an annual survey of directors' observations, suggestions, and preferences.
- E. Review with the CEO the Company's management development and succession plan for the CEO and other members of executive management.
- F. Annually consider the adequacy of the Corporate bylaws for governance issues, as well as re-evaluate Corporate Governance Guidelines and recommend revisions, as deemed necessary.

### III. MEMBERSHIP AND ORGANIZATIONS.

- A. The Nominating and Corporate Governance Committee shall be comprised of no fewer than three members. All members of the Committee shall be independent directors.
- B. It is the Company's policy that no outside director may serve on more than three other public company boards. Inside directors and Company officers may serve on no more than one other public company board. Directors must advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board.
- C. Pursuant to the Company's mandatory retirement age policy for directors, a director may stand for election no more than four three year terms, providing they have not reached the age of 70. A Company officer must retire from employment at the end of the fiscal year when he or she reaches the age of 65.
- D. The Committee will be responsible for overseeing the Company's orientation program for new directors and the ongoing education for all directors on subjects that will assist them in discharging their duties. Educational programs will include an annual visit to one of the Company's production facilities to ensure that all outside directors are knowledgeable about the Company's products and services.