

ESS TECHNOLOGY, INC.

Corporate Governance and Nominating Committee Charter

(Amended and Restated as of January 31, 2004)

I. Authority:

The purpose of the committee shall be to assist the board in 1) ensuring that qualified candidates are presented to the Board of Directors for election as directors, and members and Chairpersons of Board committees, 2) determining the composition of the board of directors and its committees, 3) monitoring a process to assess board effectiveness, and 4) developing and implementing the company's corporate governance guidelines.

The Committee will have the power and duty to:

- A. Review and make recommendations to the Board regarding Board structure, compensation and protections, including without limitation:
 - (1) the size of the Board and each standing committee;
 - (2) retirement policies for directors; and
 - (3) Board and committee compensation and benefits for non-employee directors.
- B. Establish criteria for membership on the Board of Directors. The Board should be composed of:
 - (1) directors chosen with a view to bringing to the Board a variety of experience and background;
 - (2) directors who will form a central core of business executives with financial expertise and at least one director who meets the criteria for an "audit committee financial expert" as defined by rules of the Securities and Exchange Commission ("SEC");
 - (3) directors who have substantial experience outside the business community – in the public, academic or scientific communities, for example;
 - (4) directors who are free of any conflict of interest;
 - (5) directors who will represent the balanced, best interests of the shareholders as a whole;
 - (6) directors who have sufficient time available to devote to the affairs of the Company in order to carry out the responsibilities of a director;

- (7) a majority of directors who are independent as defined by and to the extent required by the Rules of the National Association of Securities Dealers, Inc. (“NASD”) and the SEC and the Sarbanes-Oxley Act of 2002; and
 - (8) directors who are also key members of the Company’s management.
- C. The Committee identifies nominees by first evaluating the current members of the Board who are willing to continue in service. Current members of the Board with skills and experience that are relevant to the Company’s business and who are willing to continue in service are first considered for re-nomination. If any member of the Board does not wish to continue in service, the Board decides not to re-nominate a member for re-election or the Board decides to expand the size of the Board, the Committee will identify the desired skills and experience of a new nominee in light of the guidelines set forth above. Current members of the Committee are polled for suggestions as to individuals meeting the guidelines of the Committee. To the extent it deems necessary or appropriate, the Committee may retain a search firm to be used to identify director candidates. The Committee shall have sole authority to retain and disengage any such search firm, including sole authority to approve the firm’s fees and other retention terms. The Committee shall also have authority, to the extent it deems necessary or appropriate, to retain other advisors. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any search firm or other advisors employed by the Committee.
- D. Seek out possible candidates for director and otherwise aid in attracting highly qualified candidates as directors.
- E. Consider candidates submitted by directors, officers, employees, shareholders and others. The Committee considers properly submitted shareholder nominees for director in the same manner as nominees for director from other sources.
- F. Maintain a list of possible candidates.
- G. Review at least annually the current composition of the Board and the performance of incumbent directors; evaluate proposed candidates against the established criteria.
- H. Recommend to the Board nominees to fill vacancies as they occur among directors and, prior to each annual meeting of shareholders, a slate of nominees for election or reelection as directors by the shareholders at the annual meeting.
- I. Recommend to the Board the names of persons to be appointed as the members and Chair of each Board committee.
- J. Assure an effective management succession plan and measure progress in achieving that plan, including receiving periodically from the chief executive officer his recommendations regarding his successor, the development of other executive talent and the executive management needs of the Company.

- K. Review the chief executive officer's nomination of corporate officers in the context of the management succession plan and make recommendations to the Board of the persons to be elected officers by the Board.
- L. Recommend formally to the Board a successor to the chief executive officer when a vacancy occurs.
- M. Develop and recommend to the board of directors for its approval a set of corporate governance guidelines. The committee shall review the guidelines on an annual basis, or more frequently if appropriate, and recommend changes as necessary.
- N. Develop and recommend to the board of directors for its approval an annual self-evaluation process of the board and its committees. The committee shall oversee the annual self-evaluations.
- O. Review this Charter on an annual basis and make recommendations to the Board with respect to its contents.
- P. Perform such other functions as may be assigned by the Board from time to time.
- Q. Review and approve the shareholder communication process periodically to ensure effective communication between shareholders and directors.

II. Composition and Meetings:

The Committee will be comprised of up to three members of the Board of Directors to the extent required by the Rules of the NASD and all other applicable rules, and shall be a standing committee of the Board. Such members will be elected and serve at the pleasure of the Board. The Committee shall meet the independence standards required by the Rules of the NASD and all other applicable rules and regulations, as in effect from time to time.

The Committee will meet on a regular basis and may call special meetings as required. The Committee will report to the Board on its findings and activities in its areas of responsibility when appropriate, but not less often than annually.

Independent directors will meet in at least two regularly scheduled executive sessions annually, in conjunction with regularly scheduled board meetings. The sessions are chaired by the chairperson of the Corporate Governance and Nominating Committee. Any independent director can request that an executive session be scheduled.