



**CHARTER OF  
CORPORATE GOVERNANCE/NOMINATING  
COMMITTEE**

(As adopted on January 30, 2004)

**I. Mission Statement**

The Corporate Governance/Nominating Committee assists the Board of Directors in fulfilling its responsibilities to assure that the Company is governed in a manner consistent with the interests of the shareholders of the Company. Without limiting the foregoing, the Corporate Governance/Nominating Committee shall advise the Board with respect to: (a) Board organization, membership and function; (b) committee structure, membership and operations (including any committee authority to delegate to subcommittees); (c) succession planning for the executive officers of the Company; (d) the Company's Corporate Governance Policy, its operation and any modifications to such policy; and (e) other matters relating to corporate governance.

**II. Membership and Qualification**

The Committee shall consist of three or more Independent Directors (as defined in and determined pursuant to Section A.3 of the Company's Corporate Governance Policy). The Committee members and Committee chairman shall be elected by the Board annually for terms of one year, or until their successors shall be duly elected and qualified. The Board may alter the composition of the Committee at its discretion.

**III. Meetings**

The Committee shall meet at least once a year and at such additional times as may be necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee or the Chairman of the Board. Meetings of and other actions by the Committee shall be held or otherwise taken pursuant to the Company's bylaws, including bylaw provisions governing notices of meetings, waivers thereof, the number of Committee members required to take actions at meetings or by written consent, and other related matters.

- A. Reports of meetings, actions, and recommendations of the Committee since the most recent Board meeting shall be made by the Committee Chairman or his/her delegate to the Board at its next regularly scheduled meeting following the Committee meeting.
- B. The Corporate Governance/Nominating Committee shall not delegate any of its authority to any subcommittee.

#### IV. Goals and Responsibilities

The Committee shall have the following goals and responsibilities:

##### A. Board of Directors

1. Evaluate periodically the desirability of and recommend to the Board any changes in the size and composition of the Board.
2. Recommend to the Board candidates for election to the Board and evaluate the Board in accordance with criteria set forth below or determined as provided below:
  - a. General Criteria. Director selection should include at least enough Independent Directors (as defined in and determined pursuant to Section A.3 of the Company's Corporate Governance Policy) to satisfy the minimum proportion of Independent Directors to total directors required by Section A.3 of the Company's Corporate Governance Policy, and such Independent Directors should have appropriate skills, experiences and other characteristics to provide qualified persons to fill Board committee positions required to be filled by Independent Directors. Subject to the right of the Corporate Governance/Nominating Committee to recommend, and the Board to decide otherwise when deemed appropriate, the Chief Executive Officer of the Company should be a director. Depending on the circumstances, certain other members of management, as well as certain individuals having relationships with the Company that prevent them from being Independent Directors, may be appropriate members of the Board. Each director should:
    - i. Be an individual of the highest character and integrity and have an inquiring mind, relevant experience, a willingness to ask hard questions and the ability to work well with others;
    - ii. Be free of conflicts of interest that would violate applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
    - iii. Be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director and Board committee member; and
    - iv. Have the capacity and desire to represent the balanced, best interests of the shareholders as a whole and not a special interest group or constituency.
  - b. Specific Criteria. In addition to the foregoing general criteria, the Corporate Governance/Nominating Committee shall review annually the skills, experiences (such as current business experience or other such current involvement in public service, academia or scientific communities), particular areas of expertise, particular backgrounds, and

other characteristics that help ensure the effectiveness of the Board and Board committees.

- i. These criteria should take into account any particular needs of the Company and may be adjusted as these Company characteristics evolve.
  - ii. The Corporate Governance/Nominating Committee should consider periodically complementary skills or other attributes, which may not be represented on the Board that would be useful to the Board as it fulfills its duties.
  - iii. Each decision to re-nominate incumbent directors should be based on a consideration of each individual's contributions, the availability of director candidates, and the Company's needs.
3. Identify potential director candidates. This should include establishing procedures for soliciting and reviewing potential nominees.
4. Submit to the Board the candidates for director to be recommended by the Board for election at each annual meeting of shareholders and to be added to the Board at any other times due to Board expansions, director resignations or retirements or otherwise.
5. Monitor performance of the Board of Directors. If any serious problems are identified with any Director, work with such director to address issues.
6. Develop and periodically review orientation guidelines and continuing education opportunities relevant to service on the Board and Board committees.

## **B. Board Committees**

1. Annually review the performance, charter and composition of the standing or ad hoc Board committees (including any authority of a committee to delegate to a subcommittee) and recommend any changes considered appropriate in the operations, charter, or membership of each committee. If any serious problems are identified with a committee member, work with such director to address issues.
2. Submit to the Board annually (and at any additional times that any committee members are to be selected) candidates for membership on each Board committee and for the chairman of each committee. The Committee will coordinate with the Board as to the selection of those Independent Directors who will qualify to serve on the Audit Committee as a designated "audit committee financial expert."

**C. Succession Planning for Chief Executive Officer and Other Executive Officers**

1. Periodically conduct a discussion of management succession with the Chief Executive Officer, and develop such plans as needed.

**D. Corporate Governance**

1. Develop and recommend to the Board a Corporate Governance Policy and recommend any appropriate changes therein, setting forth the corporate governance principles applicable to the Company.
2. Monitor and make recommendations to the Board on other matters of Board policies and practices relating to corporate governance.
3. Review and make recommendations to the Board regarding proposals of shareholders that relate to corporate governance.

**E. Other Matters**

1. The Committee also shall oversee and report to the Board of Directors on the Company's policies and practices regarding philanthropic and political activities and undertake such additional activities within the scope of its primary functions as the Board may from time to time determine.

**V. Additional Resources**

Subject to the Board's approval, the Corporate Governance/Nominating Committee may use reasonable amounts of time of the Company's internal and independent accountants, outside lawyers and other internal staff and also may hire independent experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Corporate Governance/Nominating Committee shall keep the Board and the Company's Chief Financial Officer advised as to the general range of any anticipated expenses for outside consultants, and shall obtain the concurrence of the Board in advance for any expenditures.