

# COINSTAR, INC.

## Nominating and Governance Committee Charter

(March 15, 2004)

### 1. Purpose and Authority

The purpose of the Nominating and Governance Committee (the "Committee") is to (i) identify individuals qualified to become members of the Board, (ii) approve and recommend to the Board director candidates, (iii) oversee evaluations of the Board, (iv) develop, update as necessary and recommend to the Board corporate governance principles and policies applicable to the Company and (v) monitor compliance with such principles and policies.

The Committee shall have the sole authority to retain and terminate any search firm that is used to identify director candidates, including the sole authority to approve fees and other retention terms. The Committee shall also have the authority to retain independent counsel and other professionals to assist the Committee.

The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board (including in the Corporate Governance Guidelines).

The Committee when appropriate may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee, or Company officers.

### 2. Composition

#### (a) *Independence*

The Committee shall be composed of three or more directors, as determined by the Board, each of whom shall meet the independence standards required by the Board and the Nasdaq Stock Market, Inc. ("Nasdaq") or other applicable trading exchange or quotation system and laws and regulations applicable to the Company from time to time.

#### (b) *Appointment and Removal of Members*

The members of the Committee shall be appointed by the Board on the recommendation of the Chair of the Board following the Chair's consultation with the Chair of the Committee. The Board may remove any member from the Committee at any time with or without cause.

### 3. Duties and Responsibilities

The Committee shall have the following duties and responsibilities, in addition to any duties and responsibilities assigned to the Committee from time to time by the Board.

(a) *Director Selection*

- Approve and recommend for Board consideration director candidates based on the Director Selection Guidelines outlined in **Exhibit A** to this Charter, and advise the Board with regard to nomination or election of director candidates.
- Periodically approve and recommend to the Board appropriate revisions to the Director Selection Guidelines outlined in **Exhibit A** to this Charter.
- Determine procedures for the approval and recommendation of director candidates, as appropriate.

(b) *Board and Board Performance*

- Periodically review and make recommendations to the Board regarding the appropriate size and composition of the Board.
- Periodically review appropriateness of any restrictions on Board service, such as term limits and retirement policy.
- Recommend to the Board standards regarding Company's definition of "independence" as such term relates to directors (taking into account, among other things, Nasdaq or other applicable trading exchange or quotation system requirements, and laws and regulations applicable to the Company).
- Establish performance criteria/expectations for directors in areas of attendance, preparedness, candor and participation.
- Develop and periodically review and recommend to the Board stock ownership guidelines for directors, and monitor compliance with such guidelines.
- Establish, coordinate and review with the Chair of the Board criteria and methods for at least annually evaluating the effectiveness of the Board.

- Recommend frequency of regular executive sessions of non-management directors and develop format for such executive sessions.
- Determine methods of communication between (i) employees, shareholders and other interested parties and (ii) non-management directors and/or the non-executive Chair of the Board (or presiding or "lead" non-management director, if there is no non-executive Chair of the Board).

(c) *Board Leadership*

- Develop and recommend to the Board procedures for selection of the Chair of the Board (or a presiding or "lead" non-management director, if the Chair of the Board is also an executive of the Company).
- Develop and recommend to the Board procedures for Board review of, and for communicating such review to, the Chair of the Board (or the presiding or "lead" director, if applicable).

(d) *Board Relationship to Senior Management*

- Monitor process and scope of director access to Company management and employees and communications between directors and Company management and employees.

(e) *Meeting Procedures*

With the Chair of the Board:

- Develop annual meeting calendar for the Board.
- Develop process for preparing agendas for, organizing and running Board meetings.
- Determine appropriate timing for distribution of Board materials to allow directors adequate time to review materials and prepare for meetings.

(f) *Board Committee Matters*

- Recommend to the Board, as appropriate, number, type, functions, structure and independence of committees.
- Determine criteria and procedures for selection of committee members and committee Chairs, as appropriate.

- Make recommendations to the Board, at least annually, regarding membership of directors on Board committees and advise the Board and/or committees with regard to selection of Chairs of committees.
  - Establish and coordinate with applicable committee Chair criteria and methods for evaluating the effectiveness of the committees.
- (g) *Management Selection, Review and Development*
- Review and recommend procedures for selection of the Chief Executive Officer and other senior management.
  - Review and recommend procedures for Board review of, and for communicating such reviews to, the Chief Executive Officer and other senior management.
  - Develop guidelines for and monitor long-range succession planning and senior management development.
  - Develop and maintain in consultation with the Chair of the Board and the Chief Executive Officer a short-term succession plan for unexpected situations affecting the Chief Executive Officer and senior management.
- (h) *Director Orientation and Continuing Education*
- Periodically review and revise, as appropriate, the Company's director orientation program.
  - Monitor, plan and support continuing education activities of the directors.
- (i) *Governance Policies*
- Develop, review and recommend to the Board, as appropriate, other principles and policies relating to corporate governance; and monitor compliance with and the effectiveness of such principles and policies, as appropriate.
- (j) *Committee Reports to Board*
- Provide minutes of Committee meetings to the Board and report to the Board on any significant matters arising from the Committee's work.

#### **4. Meetings**

The Committee shall establish a meeting calendar annually. The Committee may hold such other meetings as are necessary or appropriate in order for the Committee to fulfill its responsibilities and as are called by the Chair of the Committee or the Board. In the

absence of a member designated by the Board to serve as Chair, the members of the Committee may appoint from among their number a person to preside at their meetings.

## **5. Evaluation**

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations for improvement.

## **EXHIBIT A**

### **COINSTAR, INC.**

#### **Director Selection Guidelines**

The Charter of the Nominating and Governance Committee (the "Committee") of the Board requires the Committee to develop and periodically review and recommend to the Board appropriate revisions to these Director Selection Guidelines. The following guidelines have been adopted by the Board on the recommendation of the Committee.

#### **A. Director Qualifications**

When considering potential director candidates for nomination or election, directors should consider the following qualifications, among others, of each director candidate:

- High standard of personal and professional ethics, integrity and values;
- Broad training and experience at policy-making levels in business, government and/or education;
- Experience working with retail and/or public companies;
- Willingness and ability to keep an open mind when considering matters affecting interests of the Company and its constituents;
- Availability and willingness to devote the required time and effort to effectively fulfill the duties and responsibilities related to Board and committee membership;
- Financial training and/or experience;
- Commitment and ability to serve on the Board for multiple terms, if nominated and elected, to enable development of a deeper understanding of the Company's business affairs;
- Willingness not to engage in activities or interests that may create a conflict of interest with a director's responsibilities and duties to the Company and its constituents; and
- Commitment to act in the best interests of the Company and its constituents, and objectively assess Board, committee and management performances.

#### **B. Board Composition Selection Criteria**

The Board believes that its effectiveness depends on the overall mix of the skills and characteristics of its directors. Accordingly, the following factors, among others, relating to

overall Board composition should be considered when determining Board needs and evaluating director candidates to fill such needs:

- Diversity (e.g., age, geography, professional, other);
- Professional experience;
- Industry knowledge (e.g., relevant industry association participation);
- Skills and expertise (e.g., accounting or financial);
- Leadership qualities;
- Public company board and committee experience;
- Independence;
- Non-business-related activities and experience (e.g., academic, civic, public interest);
- Board continuity (including succession planning);
- Board size;
- Number and type of committees, and committee sizes; and
- Legal and Nasdaq requirements and recommendations, and other corporate governance-related guidance regarding board and committee composition.

### **C. Selection Procedures**

Potential director candidates should be referred to the Chair of the Committee for consideration by the Committee and possible recommendation to the Board. The Committee shall maintain a list of director candidates to consider and propose to the Board, as required. If necessary or desirable in the opinion of the Committee, the Committee will determine appropriate means for seeking additional director candidates, including engagement of any outside consultant to assist the Committee in the identification of director candidates.

The Committee will consider candidates recommended by stockholders. To recommend director candidates, stockholders should submit their suggestions in writing to the Chair of the Committee, c/o the Corporate Secretary of the Company, providing the candidate's name, biographical data and other relevant information together with a consent from the suggested candidate to serve on the Company's Board if nominate and elected.

The Committee shall decide on the appropriate means for the review of individual director candidates, including current directors, and the recommendation of director candidates to the Board. In the event of a vacancy on the Board, the Chair of the Committee shall initiate the effort to identify appropriate director candidates.