

## **ZIPREALTY, INC.**

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

#### **PURPOSES:**

The purpose of the Corporate Governance and Nominating Committee (“CGNC”) of the Board of Directors (the “Board”) of ZipRealty, Inc. (the “Company”) are:

- Assist the Board by identifying prospective director nominees and to recommend to the Board the director nominees for the next Annual Meeting of Stockholders;
- Develop and recommend to the Board the governance principles applicable to the Company;
- Oversee the evaluation of the Board and management; and
- Recommend to the Board director nominees for each committee.

In addition, the CGNC will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

#### **NOMINATION/APPOINTMENT POLICY:**

The Board believes that it is in the best interests of the Company and its stockholders to obtain highly qualified candidates to the Board. The CGNC will seek for nomination and appointment candidates with excellent decision-making ability, business experience, relevant expertise, personal integrity and reputation.

#### **MEMBERSHIP:**

The members of the CGNC will be appointed by, and will serve at the discretion of, the Board. The CGNC will consist of at least three members of the Board. Each member must be an “independent director” within the meaning of NASD Marketplace Rule 4200, as amended.

The Board will annually appoint the members of the CGNC and Chair of the CGNC, which appointment will be effective immediately following the Company’s annual meeting of stockholders, unless otherwise indicated.

## **RESPONSIBILITIES:**

The responsibilities of the CGNC will include the following:

### **Corporate Governance**

- Develop principles of corporate governance and recommend them to the Board for its consideration and approval, and review periodically to ensure relevancy and compliance;
- Oversee the evaluation of the Company's management;
- Review periodically the succession planning for the Chief Executive Officer and other executive officers, report its findings and recommendations to the Board, and work with the Board in evaluating potential successors to these executive management positions;
- Reviewing the Company's policies regarding conflicts of interest, reviewing past or proposed transactions between the Company, members of the Board and management for such conflicts, and reviewing and approving in advance any proposed related party transactions with directors and executive officers and as otherwise required by Nasdaq Marketplace Rule 4350(h);
- Oversee and monitor compliance by the Company, the Board and its committees with legal and regulatory requirements, and in connection therewith, if necessary, institute special investigations with full access to all books, records, facilities and personnel of the Company (it being understood that all whistleblowing complaints will be handled as set forth in the Whistleblowing Policy adopted by the Audit Committee); and
- Periodically review this Charter and the CGNC's processes and procedures.

### **Composition of the Board of Directors, Evaluation and Nominating Activities**

- Review the composition and size of the Board and determine the criteria for membership on the Board, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service, other commitments and the like;
- Conduct an annual evaluation of the Board as a whole and the Committee as a whole;
- Identify, consider and select, or recommend for the selection of the Board, candidates to fill new positions or vacancies on the Board, and review any candidates recommended by stockholders, provided that all stockholder recommendations are (i) submitted in writing to the Secretary of the

Company, (ii) include, among other things, the recommended candidate's name, biographical data and qualifications, and (iii) otherwise made in compliance with the Company's bylaws and its stockholder nominations and recommendations policy; and

- Evaluate the performance of individual members of the Board eligible for re-election, and select, or recommend for the selection of the Board, the director nominees by class for election to the Board by the stockholders at the Annual Meeting of Stockholders.

#### **Committees of the Board of Directors**

- Periodically review the composition of each committee of the Board and make recommendations to the Board for the creation of additional committees or the change in mandate or dissolution of committees; and
- Recommend to the Board persons to be members of the various committees and the Chair of such committees.

In performing its duties, the CGNC shall have the authority to obtain advice, reports or opinions from internal or external legal counsel and expert advisors, including any search firm to be used to identify candidates for the Board.

#### **MEETINGS:**

Meetings of the CGNC will be held at the pleasure of the Board and the members of the CGNC, from time to time, in response to needs of the Board. Notwithstanding the foregoing, the CGNC will meet at least once annually to evaluate and make nominations of qualified candidates for election to the Board at the Annual Meeting of Stockholders.

#### **MINUTES:**

The CGNC will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

#### **REPORTS:**

The CGNC will summarize its examinations and recommendations to the Board as may be appropriate, consistent with the CGNC's charter.

The CGNC will provide written reports to the Board regarding the CGNC's nominations for election to the Board.

**COMPENSATION:**

Members of the CGNC shall receive such fees, if any, for their service as CGNC members, as may be determined by the Board in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the Board.

Members of the CGNC may not receive any compensation from the Company except the fees that they receive for service as members of the Board any committee thereof.

*Adopted June 18, 2004*