

## **The Nomination Review Committee and Nominating Committee**

The members of the board governance committee of the board of directors who are independent under Nasdaq rules act as the nomination review committee. Current members of the nomination review committee are Drs. Baratta, Bagby and Shapiro. The nomination review committee, together with the other members of the board governance committee, considers the qualifications for re-nomination of existing directors whose terms are expiring and interviews each such director. The nominating review committee then reaches its conclusions regarding director nominees for re-election and reports such conclusions to the full board of directors. The nomination review committee also considers qualifications for individuals proposed for nomination by existing directors or others and, if warranted, investigates and interviews such candidates. The nomination review committee reports its conclusions with respect to nominated candidates to the full board of directors.

The full board of directors does not take any action other than consideration and discussion of the candidates presented to it by the nomination review committee and of any other candidates proposed by a member of the board of directors. Following consideration and discussion by the full board of directors of the candidates covered by the reports of the nomination review committee or otherwise proposed by a director, the members of the board of directors who are independent under Nasdaq rules act as the nominating committee. Current members of the nominating committee are Drs. Bagby, Baratta, Bridges, McCoy, Selander, Shapiro and White, and Messrs. Anderson and Rich and Ms. Ruffier. The members of the nominating committee may choose for nomination as director any individual in their sole discretion, whether or not such individual has been considered by the nomination review committee or by the full board of directors.

In evaluating director nominees, members consider, among other things, the needs of the board and its committees and the qualifications of sitting directors. While the board has no specific, minimum qualifications for directors or director nominees, in general terms, the board looks at, among other things, such criteria as (i) the highest personal and professional integrity; (ii) recognized achievements and skills; (iii) personal attributes that include leadership abilities, strength of character, an ethical nature, practical wisdom, mature judgment, an inquiring and independent mind, interpersonal skills, including the ability to work together with other members to make a contribution to the work of the board and its committees, and the ability and willingness to commit the necessary time required for board membership; and (iv) experience attributes that include education, expertise, industry knowledge, business knowledge, financial acumen, special expertise and diversity of view points. The board believes that members should represent a balance of diverse backgrounds and skills relevant to FPIC's needs that together ensure a strong board of directors. The evaluation process for shareholder-recommended nominees is consistent with these general terms. The nomination review committee will consider director nominees recommended by shareholders that meet the submission requirements set forth in FPIC's bylaws.