

# **NAVARRE CORPORATION**

## **Governance and Nominating Committee of the Board of Directors**

### **Charter Dated July 21, 2004**

#### **I. PURPOSE**

The primary functions of the Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") of Navarre Corporation (the "Corporation") are: (a) to identify individuals qualified and suitable to become Board members and recommend to the Board the director nominees for each annual meeting of shareholders; and (b) to oversee the Corporation's corporate governance system.

#### **II. COMPOSITION**

The Committee shall be composed of at least three members of the Board, one of whom shall serve as chairperson. Except as otherwise permitted by the applicable NASDAQ Stock Market rules, each member of the Committee shall be an "independent director" as that term is defined by the applicable Securities and Exchange Commission and NASDAQ Stock Market rules (as such rules may be modified or supplemented from time to time). The Committee's chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee. The Committee members shall serve at the pleasure of the Board for such term or terms as the Board may determine.

#### **III. MEETINGS**

The Committee shall meet as frequently as the discharge of its responsibilities shall require. Minutes of all Committee meetings shall be properly recorded. An agenda for each meeting shall be prepared and whenever reasonably practicable, the meeting agenda as well as the minutes of the previous Committee meeting shall be distributed to the Committee members prior to each meeting.

#### **IV. RESPONSIBILITIES AND DUTIES**

The Committee shall:

##### Nominating

1. The Committee shall recommend to the Board appropriate criteria for the selection of new directors and shall periodically review the criteria adopted by the Board and, if deemed desirable, recommend to the Board changes to such criteria.

2. The Committee shall identify and recommend to the Board candidates the Committee believes are qualified and suitable to become members of the Board consistent with criteria for selection of new directors adopted from time to time by the Board; and recommend to the Board the nominees to stand for election as directors at each annual meeting of shareholders or, if applicable, at any special meeting of shareholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy through appointment by a majority of the Corporation's directors. The Committee will also review the qualifications of, and make recommendations regarding, director nominations submitted to the Corporation by shareholders in accordance with the Corporation's by-laws or otherwise.
3. The Committee shall identify Board members qualified to fill vacancies on any committee of the Board (including the Committee), and recommend that the Board appoint the identified member or members to the respective committee. In recommending a member for committee membership, the Committee shall take into consideration the factors set forth in the charter of the committee, if any, as well as any other factors it deems appropriate, including without limitation, the Corporation's corporate governance principles, the consistency of the member's experience with the goals of the committee and the interplay of the member's experience with the experience of the other committee members.
4. The Committee shall make recommendations to the Board from time to time as to changes in the size of the Board that the Committee believes to be desirable.

#### Corporate Governance

5. The Committee shall oversee the system of corporate governance of the Corporation, including: (i) reviewing and reassessing the adequacy of the system at least annually; and (ii) recommending to the Board for approval any such changes to the system as the Committee believes are appropriate.
6. The Committee shall establish procedures for the Committee to exercise oversight of the evaluation of the Board and management.
7. The Committee shall report periodically to the Board on all matters for which the Committee has been delegated responsibility.
8. The Committee shall undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year.

The Committee shall conduct such performance evaluation in such manner as the Committee deems appropriate, and may report the results of its performance evaluation through an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

9. Perform any other activities consistent with this Charter, the Corporation's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

## V. POLICIES AND PROCEDURES

1. Action. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also meet by telephone or video conference. Without a meeting, the Committee may act by unanimous written consent of all members. The Chairperson will preside, when present, at all meetings of the Committee.
2. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Corporation to meet with the Committee or any advisors engaged by the Committee.
3. Independent Advisors. The Committee shall have the authority to engage such independent legal and other advisors and consultants as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors and consultants may be the regular advisors and consultants to the Corporation. The Committee is empowered, without further action by the Board, to cause the Corporation to pay the compensation of such advisors and consultants as established by the Committee.
4. Charter. The Committee shall review and reassess the adequacy of this Charter at least annually, and more frequently as conditions dictate, and propose any amendments to the Charter as it deems necessary or appropriate.

Adopted by the Navarre Corporation Board of Directors on July 21, 2004.