

**CHARTER OF THE NOMINATIONS AND GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
QRS CORPORATION**

**Purpose.**

The Nominations and Governance Committee shall: (1) identify, recommend and assist in recruiting individuals to become members of the Company's board of directors; (2) consider, develop and assess corporate governance policies of the Company; and (3) oversee periodic self-evaluation of the performance of the board of directors and its committees.

**Composition of the Committee.**

At Least Two Members. The Committee shall be composed of at least two directors. The board shall appoint the chair of the Committee.

Independence. All committee members shall be independent as defined in the Nasdaq National Market listing standards in effect from time to time (referred to below as the "listing standards").

Appointment and Replacement of Nominating Committee Members. Subject to the requirements of the listing standards, the board may appoint and remove committee members in accordance with the Company's bylaws. Upon expiration of any term or to fill any vacancy on the Committee, the board shall appoint members of the Committee and shall consider the recommendation of the Nominations and Governance Committee.

**Committee Functions.**

The committee shall:

- Qualifications of Directors: periodically recommend to the board criteria for selecting directors in light of the board's then existing composition, the nature of the Company's business, corporate governance policies, applicable listing standards and laws, and other factors that the board considers appropriate.
- Director Nominees: identify and recommend to the board the nominees for election as directors at each annual meeting of stockholders and for appointment to fill board vacancies. The Committee will review the service of its members when a director is eligible to be re-nominated for board membership, including an assessment of individual director performance, expertise and experience, number of other public and private company boards on which the individual serves, willingness and ability of the director to devote the time necessary to be a fully effective board member, composition of the board at that time, and other relevant factors.
- Committee Appointments: identify and recommend to the board the appointees for service on the Audit, Compensation, Nominations and other committees of the board, as well as the chairs of each board committee.
- Retention of Search Firm and Other Advisors: have authority to retain and terminate any search firm engaged to identify director candidates, to retain outside counsel to the Committee and any other advisors as the Committee may deem appropriate and to approve the related fees and other retention terms.
- CEO Consultation: actively consult with the Company's chief executive officer prior to recommending to the board the nomination of any incumbent or new director nominees for election at the annual meeting or to fill vacancies.

- Board Composition Review: periodically assess the composition of the board in light of the skills and background of incumbent directors, changed circumstances, if any, affecting individual directors that may bear on future service as board members.
- CEO Succession: recommend successors to the chief executive officer when a vacancy occurs as the result of an emergency or his or her retirement.
- Board Performance Review: oversee annual review of the performance and effectiveness of the full board and its members.
- Governance Policies: periodically review and assess the adequacy of the Company's corporate governance policies in light of applicable legal requirements and recommend to the board appropriate modifications.
- Annual Performance Review: evaluate its performance as the Nominations and Governance Committee on an annual basis.
- Charter Review: periodically review and assess the adequacy of this charter and recommend appropriate modifications to the board.

### **Meetings, Reports and Resources of the Committee.**

Meetings. The Committee will meet at least twice during each fiscal year. The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. Committee meetings will be governed by the quorum and other procedures generally applicable to meetings of the board under the Company's bylaws, unless otherwise stated in the bylaws or by resolution of the board or the Committee. Minutes shall be kept of each meeting of the Committee.

The Committee, as it may determine to be appropriate, may meet in separate executive sessions with other directors, the chief executive officer and other company employees, agents or representatives invited by the Committee.

Reports. The Committee will report to the board at an appropriate time prior to preparation of the Company's proxy statement for its annual meeting the Committee's recommendations for director nominees at each annual meeting of stockholders.

The Committee will also annually report to the board the results of: (1) an oversight review of the performance of the board of directors; (2) the Committee's assessment of the Company's corporate governance policies and implementation; and (3) an annual review by the Committee of its own performance.

The Committee will also provide additional reports to the board as the Committee may determine to be appropriate in light of its purposes and functions.

Committee Access and Resources. The Committee is at all times authorized to have direct, independent access to the Company's other directors and management. The Committee is authorized to communicate in confidence with any of these individuals.

Nothing in this charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others.

Adopted by the Board of Directors February 12, 2003