

**Aware, Inc.**

**Nominating and Corporate Governance Committee Charter**

**as Approved by the Board of Directors**

**March 4, 2004**

***I. Organization***

*Charter.* At least annually, this charter shall be reviewed and reassessed by the Nominating and Corporate Governance Committee (the “Committee”) and any proposed changes shall be submitted to the Board of Directors (the “Board”) for approval. This charter supersedes all prior charters of the Committee.

*Members.* The members of the Committee shall be appointed by the Board and shall meet the independence and other requirements of applicable law and the listing standards of The Nasdaq Stock Market, Inc. The Committee shall consist of at least three members. Committee members shall be subject to annual reconfirmation and may be removed by the Board at any time.

*Meetings.* In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled as required.

*Quorum; Action by Committee.* A quorum of any Committee meeting shall be at least a majority of the total number of members of the Committee. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held, except as specifically provided herein (or where only two members are present, by unanimous vote). A decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

*Agenda, Minutes and Reports.* An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board. The Committee shall make regular reports to the Board.

***II. Purpose***

The Committee shall, in consultation with the Chief Executive Officer (CEO) and the Chairman of the Board, identify individuals qualified to become members of the Board, recommend Director nominees for each annual meeting of stockholders and nominees for election to fill any vacancies on the Board, and address related matters. The Committee shall also develop and recommend to the Board corporate governance principles applicable to the Company and be responsible for leading an annual review of the performance of both the Board as a whole and its individual members.

### ***III. Duties and Responsibilities***

The Committee, in consultation with the CEO and the Chairman of the Board, shall identify and review candidates for the Board and recommend to the full Board candidates for election to the Board. In selecting new Directors, the Committee shall consider any requirements of applicable law or listing standards, a candidate's strength of character, judgment, business experience and specific area of expertise, factors relating to the composition of the Board (including its size and structure), principles of diversity, and such other factors as the Committee shall deem appropriate.

The Committee will review from time to time the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, including such factors as business experience, diversity, and personal skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective Board.

The Committee, in consultation with the CEO and the Chairman of the Board, shall consider and recruit candidates to fill positions on the Board, including as a result of the removal, resignation or retirement of any Director, an increase in the size of the Board or otherwise. The Committee shall also review any candidate recommended by stockholders of the Company in light of the Committee's criteria for selection of new Directors. As part of this responsibility, the Committee shall be responsible for conducting, subject to applicable law, any and all inquiries into the background and qualifications of any candidate for the Board and such candidate's compliance with the independence and other qualification requirements established by the Committee or imposed by applicable law or listing standards.

The Committee shall select the slate of Director nominees to be recommended by the Board at each annual meeting of stockholders.

Subject to the Company's Articles of Organization and By-Laws, the Committee shall establish and recommend to the Board guidelines for the removal of members of the Board.

The Committee shall review the desirability of term and age limits for Directors and recommend to the Board policies in this regard from time to time.

The Committee shall recommend to the Board corporate governance guidelines addressing, among other matters, the size, composition and responsibilities of the Board and its Committees, including its oversight of management and consultations with management. The corporate governance guidelines shall be reviewed not less frequently than annually by the Committee, and the Committee shall make recommendations to the Board with respect to changes to the guidelines.

The Committee shall (in consultation with legal counsel) advise the Board with respect to the charters, structure and operations of the various Committees of the Board and qualifications for membership thereon, including policies for removal of members and rotation of members among other Committees of the Board. The Committee shall also consult with the CEO and make recommendations to the Board regarding which Directors should serve on the various Committees of the Board.

The Committee shall oversee an annual evaluation of the Board as a whole and of its individual members. In discharging this responsibility, the Committee shall elicit comments from all Directors and report annually to the Board on the results of the evaluation.

The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.

#### ***IV. Other***

*Access to Records, Advisors and Others.* In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company and may retain, at Company expense, independent advisers (including legal counsel, accountants and consultants) as it determines necessary to carry out its duties. The Committee shall have the ultimate authority and responsibility to engage or terminate any such independent advisers and to approve the terms of any such engagement and the fees to be paid to any such adviser. The Committee may also request that any officer or other employee of the Company, the Company's outside counsel or any other person meet with any members of, or independent advisers to, the Committee.

*Delegation.* The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

#### **Committee Members**

John K. Kerr

Adrian F. Kruse

G. David Forney, Jr. (Chair)