



The primary purposes of the Compensation, Nominating and Corporate Governance Committee (the Committee) are to (1) assist the Board of Directors (the Board) by identifying individuals qualified to serve on the Board and its committees; (2) recommend to the Board, the Director nominees for the next annual meeting; (3) recommend to the Board, members and chairpersons for each committee; (4) develop and recommend to the Board, and to review from time to time, a set of company corporate governance principles and monitor compliance with such principles. The Committee shall also serve in an advisory capacity on matters of organizational and governance structure and the conduct of the Board.

Membership and Organization

The Committee shall consist of at least two directors, and would generally be expected to meet at least two times each year. The members of the Committee shall meet the independence requirements of the SEC and The NASDAQ Capital Market and applicable laws, and disclose that determination to the extent required.

Committee Authority and Responsibilities

In addition to the matters described above, the Committee shall:

- Develop and recommend criteria and procedures for the selection and evaluation of new individuals to serve as Board directors and committee members;
- Review and periodically make recommendations regarding the composition, size, structure, practices, policies, and activities of the Board and its committees;
- In consultation with the respective committee chairs, recommend committee assignments to the Board;
- Work with the Chairman of the Board and the committee chairs on the agenda-setting process;
- Oversee the periodic evaluation of the Board's performance, its committees, and the individual directors. Recommend ways to improve such performance;
- Evaluate the CEO's performance, development, and succession;
- Have authority to retain or terminate any search firm used to identify candidates for nomination to the Board, as well as other independent advisors to the Committee, and to approve any such firm's advisor's fees and other retention terms;
- Design and oversee orientation programs for new board members and any necessary or desirable continuing education programs for existing directors;
- Approve waivers or amendments to the Code of Ethics and Conduct and the Corporate Governance Guidelines for executive officers, financial officers and directors, which shall be timely and appropriately disclosed, to the extent required;
- Periodically review, evaluate, and recommend to the Board any necessary or desirable amendments to the Certificate of Incorporation or Company Bylaws relating to issues of corporate governance;
- Insure that the Board has adequate opportunity to meet in executive session at each regular Board meeting, without members of management present;
- Undertake other matters as may be delegated by the Board; and
- Periodically report on its activities to the Board.

Administrative

The members of this Committee shall be appointed by and may be removed or replaced by the Board. The Chairperson of this Committee shall be appointed by the Board.

A majority of the members of this Committee shall constitute a quorum for the transaction of business. Meetings may take place through conference call, in person, or any other means permitted by law. The Committee may form and delegate authority to subcommittees when appropriate. The Committee will establish a Secretary responsible for notification of the meetings and minutes of the meetings.

The Committee will provide a report to the Board at the next regularly scheduled Board meeting, after one or more Committee meetings. The Committee will provide, at least annually to the Board, a report regarding the Committee's discharge of responsibilities, overall performance, and recommendations for improving in the design and effectiveness of the Committee.