
*This form is for illustrative purposes only.
Each issuer should modify this form to fit its business or particular circumstances, including its
corporate culture.¹*

**NOMINATING/CORPORATE GOVERNANCE
COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER**

I. PURPOSE

The Nominating/Corporate Governance Committee (the "Committee") shall provide assistance to the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders and investment community by:²

- A. Identifying individuals qualified to become directors and selecting, or recommending that the Board of Directors select, the candidates for all directorships to be filled by the Board of Directors or by the shareholders;**
- B. Developing and recommending to the Board of Directors a set of corporate governance principles applicable to the corporation; and**
- C. Otherwise taking a leadership role in shaping the corporate governance of the corporation.

¹ Items in bold represent material specifically required to be included in this Charter pursuant to the new NYSE governance listing standards as well as those governance practices that, while not technically mandatory, are strongly recommended by the NYSE (the items not technically mandatory are indicated by asterisks (*)). This model also includes additional duties and responsibilities that we believe issuers may wish to consider as a matter of good corporate governance. Issuers should carefully evaluate, however, whether these duties and responsibilities should be conferred upon the Committee. The Committee should, of course, only be delegated those additional duties and responsibilities that it is prepared to carry out fully. Except as otherwise provided by law, the corporation's certificate of incorporation or bylaws, or this Charter, the Committee, like other committees of the Board, is subject to the overall authority of the Board. See PRINCIPLES OF CORPORATE GOVERNANCE: ANALYSIS AND RECOMMENDATIONS § 3.02 (American Law Inst. 1994).

² The NYSE has indicated that these items reflect the minimum requirements under the new listing standards although issuers may wish to broaden the purposes of the Committee as they consider appropriate.

II. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee shall be comprised of [three or more] members of the Board of Directors, **each of whom is determined by the Board of Directors to be “independent” in accordance with the rules of the New York Stock Exchange, Inc.**

Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairman

Unless a Chairman is elected by the full Board of Directors, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman shall be entitled to cast a vote to resolve any ties. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.³

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

III. MEETINGS

The Committee shall meet at least [two times annually], or more frequently as circumstances dictate. The Chairman of the Board of Directors or any member of the Committee may call meetings of the Committee. All meetings of the Committee may be held telephonically.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote.⁴ Additionally, the Committee may invite to its meetings any director, management of the corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

³ The Chairman should have prominent involvement in the recruiting process to reinforce the perception as well as the reality that the Committee is performing its duties and responsibilities. *See AMERICAN BAR ASSOCIATION, Corporate Director’s Guidebook Third Edition, 2001 A.B.A. Sec. Pub., 56 BUS. LAW 1571*

⁴ This does not mean there is no role for the CEO. The CEO, although not a member of the Committee, will nonetheless in many cases have a significant role in recommending candidates for the Committee’s consideration and in providing assistance in recruiting them for the Board of Directors. *See AMERICAN BAR ASSOCIATION, Corporate Director’s Guidebook Third Edition, 2001 A.B.A. Sec. Pub., 56 BUS. LAW 1571.*

IV. RESPONSIBILITIES AND DUTIES⁵

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain and terminate outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention. ***The Committee also shall have sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the corporation, including sole authority to approve the fees payable to such search firm and any other terms of retention.***

Board Selection, Composition and Evaluation

1. **Establish criteria for the selection of new directors to serve on the Board of Directors.**
2. **Identify individuals believed to be qualified as candidates to serve on the Board of Directors and select, or recommend that the Board of Directors select, the candidates for all directorships to be filled by the Board of Directors or by the shareholders at an annual or special meeting.**⁶ In identifying candidates for membership on the Board of Directors, the Committee shall take into account all factors it considers appropriate, which may include (a) ensuring that the Board of Directors, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as a “financial expert,” as that term is defined by the rules of the SEC), local or community ties and (b) minimum individual qualifications, including strength of character, mature judgment, familiarity with the company's business and

⁵ Some corporations have historically addressed some of the duties and responsibilities set forth in Section IV by assigning them to an executive committee of the Board of Directors, with CEO involvement, or by requiring that the entire Board of Directors be responsible for them.

⁶ The CEO may recommend to the Committee that other senior officers of the corporation be appointed to the Board of Directors. The American Law Institute's *Principles of Corporate Governance* notes that “recommendations as to nominees made by the chief executive officer for directorships to be filled by other senior executives should normally carry very substantial weight.” PRINCIPLES OF CORPORATE GOVERNANCE: ANALYSIS AND RECOMMENDATIONS § 3.02 (American Law Inst. 1994). The role of the Committee in considering the recommendations of the CEO or other senior executives could be incorporated as a “Purpose” in Section I of this Charter.

The new NYSE standards expressly note that if the corporation is legally required by contract or otherwise to provide third parties with the ability to nominate directors (*e.g.*, preferred stock purchase rights to elect directors upon a dividend default, shareholder agreements and management agreements), the selection and nomination of such directors need not be subject to the nominating committee process.

industry, independence of thought and an ability to work collegially.⁷ The Committee also may consider the extent to which the candidate would fill a present need on the Board of Directors.⁸

Review and make recommendations to the full Board of Directors, or determine, whether members of the Board of Directors should stand for re-election. Consider matters relating to the retirement of members of the Board of Directors, including term limits or age limits.

[In the case of a director nominated to fill a vacancy on the Board of Directors due to an increase in the size of the Board of Directors, recommend to the Board of Directors the class of directors in which the director-nominee should serve.]

3. Evaluate candidates for nomination to the Board of Directors, including those recommended by shareholders. In that connection, the Committee shall adopt procedures for the submission of recommendations by shareholders as it deems appropriate.
4. Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates.
5. Consider questions of independence and possible conflicts of interest of members of the Board of Directors and executive officers, and whether a candidate has special interests or a specific agenda that would impair his or her ability to effectively represent the interests of all shareholders.⁹
6. Review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board of Directors in order to ensure the Board of Directors has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds.
7. **Oversee evaluation of**[, at least annually, and as circumstances otherwise dictate,] **the Board of Directors and management.**

Committee Selection, Composition [and Evaluation]¹⁰

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- ⁷ Many boards also have minimum stock ownership requirements, age limitations and restrictions concerning the maximum number of boards on which a director may serve.
 - ⁸ The American Bar Association notes in its 2001 *Corporate Director's Guidebook Third Edition* that career specialization, relevant technical skills, and specific backgrounds are appropriate criteria. However, the ABA also suggests that attributes such as strength of character, independent thought, practical wisdom, and mature judgment are relevant criteria. Finally, the ABA notes that corporations have increasingly recognized that gender and ethnic diversity adds significant value and perspective in board deliberations. See AMERICAN BAR ASSOCIATION, *Corporate Director's Guidebook Third Edition*, 2001 A.B.A. Sec. Pub., 56 BUS. LAW 1571.
 - ⁹ The term "consider" as used in this Charter is meant to suggest a more limited involvement than the term "review". See PRINCIPLES OF CORPORATE GOVERNANCE: ANALYSIS AND RECOMMENDATIONS § 3.02 (American Law Inst. 1994).
 - ¹⁰ To the extent issuers wish to include these additional responsibilities in the Committee's Charter, conforming changes should be made to the "Purposes" section of this Charter.

8. Recommend members of the Board of Directors to serve on the committees of the Board of Directors, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of any committee.
9. Recommend members of the Board of Directors to serve as the Chair of the committees of the Board of Directors.
10. Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board of Directors, the qualifications and criteria for membership on each committee of the Board of Directors and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees and impose any term limitations of service on any committee of the Board of Directors.¹¹
11. Periodically review the charter, composition [and performance] of each committee of the Board of Directors and make recommendations to the Board of Directors for the creation of additional committees or the elimination of committees of the Board of Directors.

Corporate Governance

12. Review the adequacy of the certificate of incorporation and by-laws of the corporation and recommend to the Board of Directors, as conditions dictate, that it propose amendments to the certificate of incorporation and by-laws for consideration by the shareholders.
13. **Develop and recommend to the Board of Directors a set of corporate governance principles** and keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board of Directors in light of such developments as may be appropriate.
14. Review policies relating to meetings of the Board of Directors. This may include meeting schedules and locations, meeting agendas and procedures for delivery of materials in advance of meetings.

Continuity / Succession Planning Process¹²

15. Oversee and approve the management continuity planning process. Review and evaluate the succession plans relating to the CEO and other executive officer positions and make recommendations to the Board of Directors with respect to the selection of individuals to occupy these positions.

¹¹ The type of structural and operations issues that could be addressed include the size of each Board committee, the advisability of additional committees (*e.g.*, finance or public policy committee) and the duties and responsibilities to be included in the charter of each committee.

¹² To the extent issuers wish to include these additional responsibilities in the Committee's Charter, conforming changes should be made to the "Purposes" section of this Charter.

Reports

16. ***Report regularly to the Board of Directors*** (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
17. Maintain minutes or other records of meetings and activities of the Committee.

V. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.