



## Guidelines on Director Nominations

The Board and Governance Committee (the "Committee") shall generally be guided by the following principles in selecting director nominees to recommend to the shareholders for election and for appointing candidates to fill vacancies. The Board and Committee may consult as appropriate with other parties at any stage of the nominations process, including management and significant shareholders.

### 1. Nominations Process

As provided in the Committee's Charter, the Committee is responsible for considering and making recommendations to the Board concerning the following matters:

- The size, composition and structure of the Board.
- Nominees for the Board to recommend to the shareholders in connection with the Company's annual meeting of shareholders.
- Nominees for appointments to fill any vacancy on the Board.
- Nominees for director submitted by the shareholders in accordance with the nomination procedures in the Bylaws and any policies regarding shareholder nominees adopted by the Board or Committee.

The process for fulfilling these responsibilities shall generally be as follows.

- Board Requirements. The Committee shall from time to time consider and make recommendations to the Board regarding what experience, talents, skills and other characteristics the Board as a whole should possess in order to maintain the Board's effectiveness. Among other matters, the Board and Committee may consider whether there are an appropriate number of financially literate and/or independent directors to effectively staff the Company's standing Board committees and maintain a majority of independent directors on the Board. In light of the collective requirements of the Board, the Committee may consider what the appropriate size of the Board should be, within the range of three to fifteen established by the Articles of Incorporation.
- Incumbent Directors. The Board and Committee will evaluate each incumbent director's continued service on the Board, in light of the Board's collective requirements, at the time such director's Class comes up for reelection. The Board and Committee shall generally consider the results of any evaluations of such director's performance in connection with this decision.
- Identifying New Director Candidates. When the need for a new director arises (whether because of a newly created Board seat or vacancy), the Committee may proceed by whatever means it deems appropriate to identify a qualified candidate or candidates. Without limitation, the Committee may recommend to the Board the engagement of a director search firm.
- Evaluating New Director Candidates. The Committee shall review the qualifications of each candidate. Final candidates shall generally be interviewed by one or more members of the Board. The Committee shall make a recommendation based on its review, the results of interviews with the candidate and all other available information.
- Committee Recommendation and Board Decision. The Committee will present its recommendations to the Board. The Board shall make the decision on whether to invite the candidate to join the Board.

### 2. Director Qualifications

Director candidates should at a minimum possess the following qualifications:

- High moral character and personal integrity;
- Demonstrated accomplishment in his or her field;
- Ability to devote sufficient time to carry out the duties of a director; and
- Be at least 21 years of age.

In addition to these minimum qualifications for candidates, in evaluating candidates the Board and Committee may consider all information relevant in their business judgment to the decision of whether to nominate a particular candidate for a particular Board seat, taking into account the then-current composition of the Board, including without limitation:

- A candidate's professional and educational background, reputation, industry knowledge and business experience, and the relevance of that background, reputation, knowledge and experience to the Company and the Board;

- Whether the candidate will complement or contribute to the mix of talents, skills and other characteristics that in the judgment of the Board and Committee are needed to maintain the Board's effectiveness;
  - The candidate's ability to fulfill the responsibilities of a director;
  - The candidate's ability to fulfill the responsibilities of a member of one or more of the Company's standing Board committees, including the responsibilities outlined in the charters for such committees;
  - Whether the candidate is independent; and
  - Whether the candidate is financially literate or a financial expert.
3. Shareholder Nominations

#### General Nomination Right of All Shareholders

Nominations of individuals for election to the Board at any meeting of shareholders at which directors are to be elected may be made by any shareholder of the Company entitled to vote for the election of directors at that meeting by complying with the procedures set forth in Section 2.3 of the Company's Bylaws. Section 2.3 generally requires that shareholders submit nominations by written notice to the Corporate Secretary setting forth certain prescribed information about the nominee and nominating shareholder. That section also sets forth deadlines for the submission of shareholder nominations.

#### Consideration by the Board and Committee of Shareholder Nominations

The Committee may consider and make a recommendation to the Board concerning including in the Board's slate of nominees a nominee for director submitted by a shareholder who has beneficially owned more than 5% of the Company's outstanding Common Stock for more than two years at the time of the shareholder's submission of a nominee. In order for the Committee to consider such nominees:

- The nominating shareholder should submit the information about the nominee and nominating shareholder described in Section 2.3 of the Bylaws to the Corporate Secretary within the time period prescribed therein for shareholder nominations.
- The nominating shareholder should expressly indicate that such shareholder desires that the Board and Committee consider such shareholder's nominee for inclusion with the Board's slate of nominees for the meeting.
- The nominating shareholder should submit information demonstrating that the shareholder has beneficially owned over 5% of the Company's outstanding Common Stock for over two years.
- The nominating shareholder and shareholder's nominee should undertake to provide, or consent to the Company obtaining, all other information the Board and Committee request in connection with their evaluation of the nominee.

The shareholder's nominee must satisfy the minimum qualifications for director described in Part II above in the judgment of the Board and Committee. In addition, in evaluating shareholder nominees for inclusion with the Board's slate of nominees, the Board and Committee may consider all information relevant in their business judgment to the decision of whether to nominate a particular candidate for a particular Board seat, taking into account the then-current composition of the Board, including without limitation the factors described in Part II above, and:

- Whether there are or will be any vacancies on the Board;
  - The size of the nominating shareholder's holdings in the Company and the length of time such shareholder has owned such holdings;
  - Whether the nominee is independent of the nominating shareholder and able to represent the interests of the Company and its shareholders as a whole; and
  - The interests and/or intentions of the nominating shareholder.
4. Communications from Security Holders

The Company shall publish a method for Company security holders to communicate with the Board. The Company's management may first review, sort and summarize such communications, and screen out solicitations for goods or services and similar inappropriate communications unrelated to the Company or its business. The Company may integrate this method with its procedures regarding accounting, internal control and auditing complaints.