

## **DIRECTOR SELECTION AND QUALIFICATION STANDARDS AND RESIGNATION POLICY**

**Independence.** The Board of Directors (the "**Board**") will be comprised of a majority of directors who qualify as independent directors under the listing standards of the NASDAQ Stock Market (the "**NASDAQ**"). To be considered independent under the NASDAQ's rules, a director must not have specified types of disqualifying relationships with the Company or any other relationship with the Company which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board, with assistance from its Nominating and Corporate Governance Committee (the "**Committee**"), will undertake an annual review to evaluate the independence of its non-employee directors. In advance of the meeting at which this review occurs, each non-employee director will be asked to provide the Board with full information regarding the director's business and other relationships with the Company and its affiliates and executive management and their affiliates to enable the Board to evaluate the director's independence.

**Selection of New Directors.** The entire Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of the stockholders. The Committee is responsible for (i) developing and revising as appropriate, for approval by the Board, selection criteria and qualification standards for Board nominees, (ii) identifying individuals believed to be qualified to become Board members consistent with criteria approved by the Board and applicable law and regulations and (iii) recommending candidates or nominees to the Board.

**Board Membership Criteria.** Nominees for director will be selected on the basis of a number of factors, which may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

**Requirement to Tender Resignation.** Any nominee for director in an uncontested election for directors who receives a greater number of votes "withheld" from his or her election than votes "for" such election (an "**Against Vote**") shall tender his or her written resignation to the Board, for consideration by the Committee, within ten days following the certification of the election results. The Committee shall consider such resignation and then make a recommendation to the Board as to whether to accept or reject the resignation.

If a number of directors who are members of the Committee receive an Against Vote

in the same uncontested election of directors, so that a quorum of the Committee cannot be achieved, then the other independent directors on the Board who received more votes "for" than "withheld" in that election will consider and decide what action to take regarding the resignation of each director who received an Against Vote. If three or fewer independent directors on the Board did not receive an Against Vote in the same election, then all independent directors on the Board shall participate in deliberations and actions regarding director resignations, except that no director can participate in the vote on his or her own resignation.

In evaluating the director's resignation, each of the Committee and the Board shall consider all factors they deem relevant, including, without limitation, (i) the perceived reasons for the Against Vote, (ii) the qualifications and tenure of the director, (iii) the director's past and expected future contributions to the Company, (iv) the overall composition of the Board and whether accepting the resignation would cause the Company to violate any applicable rule or regulation (including NASDAQ listing standards and federal securities laws) or any of its material agreements, and (v) whether the resignation would be in the best interests of the Company and its stockholders.

The Board will act on the director's tendered resignation, taking into account the Committee's recommendation, and publicly disclose its decision and the reasons for it within 90 days from the date that the election results are certified. The director who tenders his or her resignation will not participate in the Committee's or Board's deliberations or actions with respect to his or her resignation, but shall otherwise serve as a director during this period.

If a director's resignation is not accepted by the Board, the director will continue to serve until the next Annual Meeting of Stockholders or until his or her successor is duly elected and qualified, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board, then the Board may fill the resulting vacancy or decrease the number of directors comprising the Board in accordance with the provisions of the Company's bylaws.