

## GOVERNANCE AND NOMINATING COMMITTEE CHARTER

### I. PURPOSE

The purpose of the Committee is to:

- Assist the Board in ensuring an effective and efficient system of governance for the Company.

### II. MEMBERSHIP AND STRUCTURE

- a. Minimum Number:** The size of the Committee is set from time to time by the Board of Directors, but shall always consist of at least three (3) directors of the corporation.
- b. Designation of Committee Chair:** The Committee Chair shall be appointed by the Chair of the Board of Directors. The Committee Chair can serve successive terms without limitation.
- c. Selection and Removal of Members:** Members of the Committee shall be members of the Board of Directors and shall be appointed by the Board of Directors. Committee members can serve successive one-year terms without limitation. The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual meeting of shareholders.

### III. AUTHORITY & RESPONSIBILITIES

The Committee's primary responsibilities include issues related to nominations and corporate governance generally. With respect to nominations, the Committee's primary responsibilities are:

- Developing the criteria and qualifications for membership on the Board;
- Considering, recruiting and recommending candidates to fill new or vacant positions on the Board after conducting appropriate inquiries into the backgrounds and qualifications of possible candidates;
- Reviewing candidates recommended by shareholders and the Scott Family Council;
- Considering and granting waivers or exceptions to the criteria and qualifications for members on the Board;

- Recommending Director nominees for approval by the Board and the shareholders;
- Recommending Director nominees for each of the Board's committees;
- Defining the scope of the responsibilities of Board Officers, including the Board Chairman;
- Evaluating the Board Chairman in relation to their respective responsibilities; and
- Recommending Board Officers, including Chairman and Lead Director to the Board.

With respect to general corporate governance, the Committee's primary responsibilities are:

- Reviewing and recommending to the Board proposed changes to the Company's Articles of Incorporation and Bylaws;
- Recommending to the Board ways to enhance services to and improve communications and relations with the Company's shareholders; and
- Reviewing the outside activities of senior executives.

With respect to board oversight, the Committee's primary responsibilities are:

- Considering matters of corporate governance and conducting an annual review of the Committee's Charter, the Company's Corporate Governance Guidelines, the Company's Code of Conduct and the annual objectives of each committee of the Board;
- Recommending to the Board ways to improve the corporate governance of the Company;
- Reviewing and monitoring new Board member orientation;
- Conducting an annual review of the Company's Related Person Transaction Policy, Insider Trading Policy, Investor Relations Policy, Aircraft Use Policy and Board Observer Policy;
- Reviewing and approving (with such review and approval to be conducted by members of the Committee who are independent in accordance with the NASDAQ Marketplace Rules) any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) in accordance with the Company's Related Party Transaction Policy;
- Reviewing annually how the Company is meeting its community and social responsibilities with particular emphasis on its Commitment to Community in the following areas:
  - Foundation and other charitable contributions,
  - Company-wide volunteering and leadership participation,
  - Financial education activities,
  - Community Development performance,
  - Sustainability efforts, and
  - Public relations and sponsorship activities;
- Evaluating the effectiveness of the Board, each committee and the respective performance of each Board member;
- Monitoring composition, length of service and rotation of members of each committee;

- Monitoring the continuing education of all directors and the orientation of new directors to ensure that Board members understand their role and are equipped to carry it out;
- Evaluating each request for a waiver of the application of the Company's Code of Conduct and reporting its findings and recommendations to the full Board;
- Considering questions of possible conflicts of interest of Board members and of the Company's senior executives; and
- Considering resignations of Board members.

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its outside counsel and other advisors.

#### IV. PROCEDURES & ADMINISTRATION

##### a. Meetings:

- i. **Meeting Agenda:** The Committee Chair shall establish the agenda for each meeting. If the Committee Chair is unavailable, the Chair of the Board of Directors shall designate a member of the Committee to establish the agenda.
- ii. **Meeting Minutes:** The Committee shall keep regular minutes of its meetings.
- iii. **Meeting Quorum:** The majority of members of the Committee shall constitute a quorum.
- iv. **Meeting Attendance:** Members of the Committee are required to attend each Committee meeting unless excused by the Committee Chair. The Committee may meet in person or telephonically, and at such times and places as the Committee shall determine. The Committee shall meet no fewer than two times per year.

- b. **Executive Sessions:** Only members of the Committee and those specifically invited by the Committee Chair may attend executive sessions of the Committee.

- c. Subcommittees:** The Committee Chair may appoint subcommittees from time to time as warranted.
  
- d. Third Party Attendance at Meetings:** Any member of the Board of Directors or Board Observer may attend Committee meetings, but may not attend executive sessions unless invited to do so by the Committee Chair. Other third parties may attend Committee meetings at the invitation of the Committee Chair.
  
- e. Reporting to the Board:** The Committee Chair (or his or her designee) shall report to the Board regarding all Committee meetings held since the last meeting of the Board.
  
- f. Charter Review:** The Committee shall review this Charter annually.
  
- g. Independent Advisors:** The Committee Chair may retain independent advisors from time to time as appropriate.
  
- h. Performance Review:** The Committee shall review its performance annually. This performance review will include an evaluation of how well the Committee satisfied all of its responsibilities under this Charter.