

National Association of Corporate Directors
GOVERNANCE COMMITTEE CHARTER

Purpose

The Governance Committee shall assist the Board of Directors in fulfilling its oversight responsibilities relating to developing and implementing sound governance policies and practices. The Committee is responsible for: nominating qualified individuals to become members of the Board, and the Advisory Board; reviewing and recommending to the Board the adoption of governance guidelines and committee charters; recommending director assignments to Board committees; overseeing compliance with the Code of Ethics, the Conflicts of Interest policy, and other governance policies; and, developing a process for the Board's assessment of its performance and the performance of Board committees and a self assessment by Directors.

Membership

The Committee shall be composed of three or more independent Directors appointed annually by the Board. The Board shall designate the Chairman of the Committee.

Meetings

The Committee shall meet at least twice annually or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Chairman will schedule regular meetings; additional meetings may be held at the request of two or more members of the Committee, the CEO, or the Chairman of the Board.

Duties and Responsibilities

In carrying out its oversight responsibilities, the Committee shall:

1. Develop and recommend to the Board for approval the criteria and policies set forth in the Governance Guidelines for consideration and selection of members of the Board.
2. Review annually the composition of the Board, its committees with regard to the competencies, skills, and attributes of their respective members as they relate to the needs of the Association.
3. Conduct a search for prospective new Directors based on the criteria set forth in the Governance Guidelines and the needs of the Association. The Committee will review and evaluate the qualifications of prospective Directors in consultation with the Chairman of the Board and the CEO. Following the initial review, the Committee selects those individuals to be interviewed by The Chairman of the Board, the Chairman of the Committee, Committee members and the CEO. From

among those individuals who have been interviewed, the Committee recommends candidates for election to the Board of Directors.

4. Recommend the re-nomination of those current members of the Board whose terms are expiring after considering the same criteria applied to evaluate new members.
5. Recommend committee assignments and chairmanships of committees for approval by the Board in consultation with the Chairman of the Board and the CEO. The preferences of individual Directors for committee assignments will be taken into account where possible.
6. Review each mandatory offer of resignation by a Board member and recommend an appropriate course of action to the Board.
7. In consultation with the Compensation Committee, develop succession plans for the positions of CEO and members of the CEO's senior management team and submit such plans to the Board for approval. The Committee and the Compensation Committee shall share responsibility for conducting a search for candidates, evaluating potential successors, and making recommendations to the Board. The Committee and the Compensation Committee are jointly authorized to engage a professional search firm. In consultation with the Compensation Committee, the Committee will review the NACD's succession plans annually, and jointly recommend to the Board revisions as needed.
8. Oversee the orientation of new Board members and continuing education for directors.
9. Develop and oversee the annual performance assessment process for the Board, and each committee of the Board (including a review by the Committee of its own performance), and provide a report of the results to the Board of Directors. The Committee will develop a process for the annual self assessment of Directors.
10. Annually review NACD's governing documents and recommend appropriate action to the Board.
11. In consultation with the Audit Committee, monitor and review the NACD policies and procedures relating to compliance with laws and regulations, its Code of Ethics, and Conflicts of Interest policies.
12. Oversee and periodically discuss with outside counsel the implementation and effectiveness of NACD's compliance and ethics programs, including its Code of Ethics.

13. Review and make recommendations to the Board regarding conflicts of interest, related party transactions, and potential violations of the Code of Ethics involving Board members, the CEO or the CEO's senior management team.
14. Report regularly to the Board on the Committee's activities and actions, as appropriate. The Committee will maintain minutes of meetings and report to the Board the results of Committee meetings.
15. Annually review the Committee's own performance, and report the results of such review to the Board
16. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval.
17. Perform such other duties as are necessary or appropriate to further the Committee's purposes, or as the Board may from time to time assign to it.

Amended 6-25-09