

BOARD OF DIRECTORS CHARTER

General Purpose

The business and affairs of the Corporation shall be managed and controlled by or under the direction of its Board of Directors. The Board of Directors shall promote the best interests of the Corporation's stockholders through the creation and increase of corporate profit and the enhancement of share value.

1. Board Responsibilities.

1.1. Major Board Responsibilities.

- 1.1.1. Selecting, regularly evaluating and fixing the compensation of the Chief Executive Officer ("CEO") and senior management.
- 1.1.2. Developing, approving and implementing succession plans for the CEO and members of the Board of Directors.
- 1.1.3. Approving successions plans for senior management.
- 1.1.4. Reviewing, shaping, approving, and monitoring, in conjunction with senior management, the strategic direction of the Corporation.
- 1.1.5. Reviewing, approving, and monitoring fundamental operating, financial and other corporate plans, strategies and objectives.
- 1.1.6. Evaluating the performance of the Corporation and directing management's action, when appropriate, including changing corporate plans, strategies and objectives and replacing the CEO and/or other members of senior management, when and as deemed appropriate by the Board of Directors.
- 1.1.7. Adopting policies of corporate governance (including a code of conduct) and monitoring compliance with those policies and with applicable laws and regulations, as well as the adequacy of accounting, financial and other internal controls.
- 1.1.8. Reviewing the process of providing appropriate financial and operational information for decision makers (including members of the Board of Directors) and stockholders.
- 1.1.9. Evaluating the overall effectiveness of the Board of Directors and its composition.

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1.2. Responsibilities Assigned to Committees.

- 1.2.1. **Audit.** The Audit Committee shall provide assistance to the Board of Directors (“Board of Directors”) of the Corporation in fulfilling their responsibility to stockholders, potential stockholders and the investment community in monitoring (a) the accounting and reporting practices of the Corporation, (b) the systems of internal accounting and financial controls, (c) the Corporation’s compliance with legal and regulatory requirements related to financial reporting, (d) the qualifications and independence of the Corporation’s independent auditor, (e) the performance of the Corporation’s internal audit function and independent auditor and (f) the quality and integrity of the financial reports of the Corporation.
- 1.2.2 **Compensation and Plan Administration.** The Compensation and Plan Administration Committee will develop and review all compensation philosophies and practices to ensure that the programs are sufficient to attract and retain a talented senior management team and Board of Directors. The Committee has responsibility for reviewing and recommending to the Board of Directors all bonus and incentive programs, as well as all compensation and benefits for the Board of Directors. The Committee shall review and approve all bonus and incentive programs, as well as all compensation and benefits for executive officers. The Committee shall also review, oversee, and make recommendations to the Board of Directors on the Corporation’s Incentive Stock Plans (defined below), Employee Stock Purchase Plan, 401(k) Profit Sharing Plan, and any other compensation, bonus, stock equity or other plans assigned to it by the Board of Directors (collectively, the “Plans”).
- 1.2.3 **Governance and Nominating.** The Governance and Nominating Committee (“Committee”) shall assist the Corporation’s Board of Directors in ensuring that the Board of Directors is appropriately constituted to meet its fiduciary obligations to the stockholders and the Corporation by developing and implementing policies and processes regarding corporate governance matters, by assessing Board membership needs, and by proposing Director candidates to the Board of Directors.

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1.3 Board Responsibilities versus Management Responsibilities.

1.3.1. It is the responsibility of the CEO, and of senior management team under the CEO's direction, to operate the Corporation in an effective and ethical manner.

1.3.2. As part of its operational responsibility, the CEO and senior management team shall be charged with:

- Managing the Corporation's day-to-day business operations and carrying out the Corporation's strategic objectives within the operating plans and budgets reviewed and approved by the Board of Directors.
- Identifying and developing strategic plans for the Corporation to be reviewed and approved by the Board of Directors and, upon such review and approval, implementing such plans.
- Developing annual operating plans and budgets for the Corporation to be reviewed and approved by the Board of Directors and, upon such review and approval, implementing such plans and budgets.
- Selecting qualified management and implementing an organizational structure that is efficient and appropriate for the Corporation's particular circumstances.
- Identifying and managing the risks that the Corporation undertakes in the course of carrying out its business.
- Being responsible for the integrity of the Corporation's financial reporting system, and establishing and supervising the operation of systems that allow the Corporation to produce financial statements that fairly present the Corporation's financial condition.
- Operating the Corporation in an ethical and lawful manner.

2. Board Composition.

2.1. **Size of Board.** The minimum number of Directors is three and the maximum number currently authorized is 11. The number of Directors can be changed by a vote of the majority of the Board of Directors but can never be less than three.

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- 2.2. Proportion of Independent Directors.** A majority of the Board of Directors shall be independent. All members of the Audit Committee, the Governance and Nominating Committee, the Compensation and Plan Administration Committee shall be independent (as defined by each Committee's charter).
- 2.3. Definition of Independence.** A Director shall be "independent" only if:
- 2.3.1. The Director is independent under the independence standards contained in the Marketplace Rules of the Nasdaq Stock Market, and any other applicable laws and regulations, as in effect from time to time.
 - 2.3.2. The Board of Directors affirmatively determines that such Director has no material relationship, which in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.
 - 2.3.3. In addition, the charter of a particular Committee may contain additional requirements that must be satisfied for a Director to be considered "independent" for purposes of membership on that Committee.
- 2.4. Term Limits.** Each member of the Board of Directors shall serve for a term of three years or the unexpired portion of a three-year term of the Director who resigned or was removed. There is no limit on the number of terms that a Director may serve.
- 2.5. Retirement Age.** There is no mandatory retirement age.
- 2.6. Limits on Number of Directorships.** The number of boards of for-profit corporations a Director of the Company may sit on simultaneously including the board of the Company is limited to four.
- 3. Selection of Board Nominees.**
- 3.1. General Selection Criteria.** Each member of the Board of Directors shall be a person of integrity, with significant accomplishments and recognized business stature, who will bring a variety of perspectives to the Board of Directors. In determining the composition of the Board of Directors, consideration shall also be given to the overall mix of skill, experience, independence, stature and diversity of background likely to make the Board of Directors, as a body, effective in overseeing and monitoring the performance of the Corporation and contributing to its success. The Board of Directors shall review its membership, both individually and as a body, on a regular basis to assure that it meets these criteria. The Governance and

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Nominating Committee shall assess and review with the Board of Directors each year the appropriate qualifications required of any new members of the Board of Directors based upon the composition of the current Board of Directors and any other skills, experience or characteristics needed or desired.

- 3.2. Skills and Experience.** Each member of the Board of Directors should possess skills and experience necessary to provide a broad range of management skills and relevant business experience. As a whole, the Board of Directors should have experience in areas relevant to the Corporation, including general business, accounting, technology, international business, mergers and acquisitions, and other areas deemed critical by the Board of Directors.
- 3.3. Diversity.** It is desirable that membership of the Board of Directors reflect a diversity of experiences, ages, genders, races and other personal attributes.
- 3.4. Commitment.** Directors selected must be able to commit the requisite time for preparation and attendance at regularly scheduled meetings of the Board of Directors and his or her assigned Committee, as well as be able to devote time and attention to other matters deemed necessary for good corporate governance. Each member of the Board of Directors is expected to become familiar with the Corporation's business, including the economic and competitive environment in which it operates. Accordingly, each member of the Board of Directors should develop a basic understanding of: (a) the principal operational, financial and other plans, strategies and objectives of the Corporation, (b) the results of operations and financial condition of the Corporation for recent periods, and (c) the relative standing of the Corporation in the competitive marketplace.
- 3.5. Independence.** The independence (as defined in Section 2.3) of each individual considered for membership on the Board of Directors shall be taken into account in order to satisfy Section 2.2.
- 3.6. Recruitment Process.** The Governance and Nominating Committee is responsible for recommending to the Board of Directors individuals to be elected as Directors of the Corporation by the Board of Directors (in the case of a vacancy on the Board of Directors) or to be nominated for election by the stockholders as Directors of the Corporation. This Committee shall obtain direct input from the Chair of the Board of Directors and the CEO. The invitation to join the Board of Directors or to be nominated to join the Board of Directors (as applicable) will be extended to the potential Director on behalf of the Board by the Governance and

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Nominating Committee, by the Chair of the Board of Directors or by the CEO, as determined in each case by the Board of Directors.

3.7. Orientation. New members of the Board of Directors will have a detailed orientation that includes background information about the Corporation, meetings with the senior management and a visit to selected facilities.

4. Election of Members of Board of Directors.

4.1. By Stockholders. Except as described in Section 4.2 below, each member of the Board of Directors will be elected to full terms by a plurality of the votes cast by the stockholders at the Annual Stockholders' Meeting.

4.2. By Board. A member of the Board of Directors may be elected by a majority vote of the Board of Directors to partial terms to fill vacancies on the Board of Directors.

4.3. Staggered Terms. The Board of Directors is divided into three classes and each class includes approximately a third of the total number of the Board of Directors. The three-year terms are staggered so that only one class of Directors expires each year.

5. Removal or Resignation of Board Members.

5.1. Removal by Stockholders. Directors may be removed only for cause by a majority vote of the stockholders.

5.2. Resignation of Employee-Directors. Any employee of the Corporation and/or its affiliates who is a Director and who resigns or is discharged from his or her employment with the Corporation and/or its affiliates is expected to offer to resign from the Board of Directors. The Board of Directors will then determine, on a case-by-case basis, whether that person's resignation should be accepted and whether that person should continue to serve as a member of the Board of Directors.

5.3. Directors Who Change Job Responsibility. Any Director who changes the position (or major responsibility) he or she held when elected to the Board of Directors shall inform the Board of Directors of that change and is expected to offer to resign as a member of the Board of Directors. The Board of Directors shall then review the continued appropriateness of Board membership under the changed circumstances and determine whether that person's resignation should be accepted and whether that person should continue to serve as a member of the Board of Directors.

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- 5.4. Other Resignations.** Any Director may resign as a Director of the Corporation at any time. It is expected that the resigning Director will resign in writing and will give appropriate notice to the Corporation of his or her intention to resign.
- 6. Board Leadership.**
- 6.1 Selection of Board Chair.** The Board of Directors will elect a Board Chair from among its members annually by a majority vote of the Board of Directors.
- 6.2 Separation of Chair and CEO.** The Board Chair may also be the CEO, and may or may not be an employee of the Corporation. In the event that the same person is both Board Chair and CEO, the Board will appoint and elect a “lead independent Director.”
- 6.3 Selection of Committee Chairs.** The Governance and Nominating Committee is responsible for recommending Committee Chairs to the Board after consultation with the Board Chair and the CEO and with consideration of the desires of individual Board members. Committee Chairs are elected by a majority vote of the Board of Directors. Committee Chair rotation is dependent on the specific Committee.
- 7. Director Compensation.**
- 7.1 Composition of Compensation.** The Compensation and Plan Administration Committee is responsible for recommending Director compensation with approval by a majority vote of the Board of Directors. A meaningful portion of each Director’s compensation will be in the form of stock options in order to provide a direct linkage between each Director’s compensation and the performance of the Corporation’s stock. (Director compensation is reported in the annual EDC Proxy Filing)
- 7.2 Basis for Determining Compensation.** The determination of Director compensation shall be based on comparisons with other similar sized companies in similar lines of business.
- 7.3 Expense Reimbursement.** Directors will be reimbursed for all reasonable expenses incurred while attending Board meetings, Committee meetings, or training as a member of the Board of Directors or otherwise at the request of the Corporation.

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8. Board Meeting Procedures.

- 8.1. Frequency and Length of Meetings.** The Board of Directors will meet at least once each quarter. The length of the meetings will be determined by the agenda.
- 8.2. Setting Agendas.** The Board Chair and the CEO will establish the agenda for each Board meeting. Any Director may suggest the addition of other items on the agenda.
- 8.3. Attendance Expectations.** All Directors are expected to attend each meeting of the Board and all the meetings of Committees on which they serve.
- 8.4. Advanced Distribution of Board Materials.** Information that is important to the Board's understanding of the Corporation's business or the specific matters to be discussed at the Board meeting should be distributed by management in writing to the Board at least 48 hours before the Board meeting. This material should be concise, well organized and supported by any background data necessary to place the information in context. Presentations on specific subjects to the Board of Directors should be sent to the Directors in writing in advance so that Board meeting time may be conserved and discussion time may be focused on questions that the members of Board of Directors have about the material. For highly sensitive matters, the contents may be discussed at the meeting without any prior written materials.
- 8.5. Executive Sessions of Independent Directors.** The independent Directors will hold scheduled sessions, in conjunction with each board meetings or otherwise, without non-independent Directors.
- 8.6. Attendance by Non-Directors.** The Board of Directors encourages senior management, from time to time, to bring managers into Board meetings who: (a) provide additional insight into the matters being discussed because of their personal involvement in or knowledge about these matters or (b) have future potential that the senior management believes should be given exposure to the Board of Directors.
- 8.7. Quorum.** At all meetings of the Board of Directors, one half of the total number of Directors shall constitute a quorum for the transaction of business.
- 8.8. Minutes.** The Chair of the meeting will designate someone to record the minutes of each Board meeting. Generally, the Corporation's in-house legal counsel will be designated to perform that function and, in his or her absence, one of the Corporation's officers or outside legal counsel will be so designated. All minutes shall be filed and maintained with the Corporation's records.

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9. Board Action Without a Meeting.

- 9.1. **Written Consent.** The Board of Directors may take any action by unanimous written consent that the Board of Directors might take at a meeting.
- 9.2. **Filing of Written Consent.** Any written consent of the Board of Directors pursuant to Section 9.1 shall be filed and maintained with the Corporation's records.

10. Board Performance.

- 10.1. **Assessment of Board Effectiveness.** The Governance and Nominating Committee will provide an annual assessment to the Board of Directors of the Board's performance. This assessment should be of the Board's contribution as a whole and specifically review areas in which members of the Board of Directors and the management believe that a more effective contribution could be made.
- 10.2. **Assessment of Committee Effectiveness.** The Governance and Nominating Committee will provide an annual assessment to the Board of Directors of each Committee's performance.
- 10.3. **Assessment of Individual Director Effectiveness.** The Governance and Nominating Committee will develop procedures to conduct a periodic assessment matching each Director's skills and characteristics to the needs of the Board of Directors.

11. Committees.

- 11.1. **Charters.** Each standing Committee shall have a Charter that is approved by the Board of Directors.
- 11.2. **Committees.** The standing Committees of the Board of Directors are:

- Audit Committee
- Compensation and Plan Administration Committee
- Governance and Nominating Committee

In addition to the standing Committees, the Board may establish other Committees from time to time to undertake certain projects or to handle other special situations.

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- 11.3. Committee Membership Requirements.** The requirements for membership on each standing Committee shall be described in that Committee's Charter.
- 11.4. Selection and Rotation of Members.** The Governance and Nominating Committee shall recommend Committee members to the Board of Directors after consultation with the Chair of the Board of Directors and the CEO and with consideration of the desires of individual Board members. Committee members and Chairs shall be appointed by a majority vote of the Board of Directors. The Board of Directors may remove any Committee member at any time for any reason.
- 11.5. Selection and Rotation of Committee Chairs.** The selection and rotation of committee chairs is provided for in Section 6.3 under Board Leadership.
- 11.6. Committee Term Limits.** The amount of time an individual Director may serve on a Committee of the Company's Board is limited to three Board terms as defined in Section 2.4.
- 11.7. Meetings.** Each Committee Chair, in consultation with the other Committee members and Chair of the Board of Directors, will determine the frequency and length of the meetings of the Committee meetings.
- 11.8. Agendas.** Committee Chairs are responsible for ensuring agendas are provided to the Committee members for each Committee meeting and for approving those agendas.
- 11.9. Minutes.** Each Committee Chair shall designate someone to record minutes of each Committee meeting. Generally, inhouse legal counsel, a designated officer or outside legal counsel will perform that function. A copy of all minutes of each Committee meeting will be provided to the Board.

12. Board Relationships.

- 12.1. Interaction with Senior Management.** All members of the Board of Directors shall have complete access to senior management. Board members should ensure communications with senior management are not distracting to the Corporation's business operations. Such communications, if in writing, should be copied to the Chair of the Board of Directors and the CEO.

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- 12.2. Access to Management.** The Board encourages senior management, from time to time, to bring into Board and Committee meetings managers who:
- (a) can provide additional insight into the matters being discussed because of their personal involvement in or knowledge about these matters or
 - (b) have future potential that the senior management believes should be given exposure to the Board of Directors.
- 12.3. Access to Employees.** Senior management will periodically review opportunities for Board members and employees to meet. Any meeting of Board members and employees must be meaningful and beneficial to both groups and must not be distracting to the Corporation's business operations.
- 12.4. Contact with Investors.** Senior management will generally speak for the Corporation with stockholders and the investment community, although Board members may have occasion to interact with investors such as at the Annual Stockholders' Meetings. Senior management may request individual Board members to meet or communicate with investors. If any comments from the Board of Directors are appropriate, those comments will be made by the Chair of the Board of Directors. Any Board member communications with investors should immediately be reviewed with senior management to ensure compliance with securities laws and other appropriate regulations and laws.
- 12.5. Contact with Media.** Senior management will generally speak for the Corporation with the media. If any comments from the Board of Directors are appropriate, those comments will be made by the Chair of the Board of Directors.
- 12.6. Contact with Suppliers.** Senior management or their delegates will speak for the Corporation with suppliers, unless Board members are specifically requested to participate in discussions by senior management. If any comments from the Board of Directors are appropriate, those comments will be made by the Chair of the Board of Directors.
- 12.7. Contact with Customers.** Senior management or their delegates will speak for the Corporation with customers, unless Board members are specifically requested to participate in discussions by senior management. If any comments from the Board of Directors are appropriate, those comments will be made by the Chair of the Board of Directors.

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12.8. Access to Independent Auditors and Outside Legal Counsel. The Board of Directors will have full access to the designated outside legal counsel, independent auditors, or to any other consultants deemed beneficial to the Board of Directors. The Corporation's independent auditors are retained by and report to the Audit Committee as described in that Committee's Charter.

13. Leadership Development.

13.1. Board Development. Each member of the Board of Directors will receive a combination of general training for the entire Board of Directors and targeted training for selected Committees and members. This training will include the legal and ethical responsibilities of members of the Board of Directors, the financial condition and the principal operating risks and performance factors important to the Corporation's business.

13.2. Formal Evaluation of the CEO. The Board will evaluate the CEO's performance at least annually, in conjunction with the evaluation of all members of the Board of Directors. The Board Chair and the Governance and Nominating Committee Chair will jointly communicate this evaluation to the CEO. The evaluation will also be used by the Compensation Committee in its review of the CEO's compensation.

13.3. Succession Planning. The CEO will report during the last meeting of each year to the Board of Directors on senior management succession planning. There will also be available, on a continuing basis, the CEO's recommendation as to a successor should he or she becomes unexpectedly disabled.

13.4. Management Development. The CEO will also report each year to the Board of Directors on the Corporation's program for management development. This report should be given to the Board of Directors at the same time as the succession planning report.

14. Amendments to Charter.

14.1. Amendments. This Charter may be amended or repealed by the Board of Directors at any time.