

## **Nominating Committee Charter**

### **CHARTER OF THE NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS OF CARDO MEDICAL, INC. (ADOPTED OCTOBER 14, 2008)**

#### **PURPOSE**

The Nominating Committee (the "Committee") is a standing committee of the Board of Directors of Cardo Medical, Inc. (the "Company"). The purposes of the Committee is:

- 1 to identify individuals qualified to become members of the Board of Directors or any committee thereof;
- 2 to recommend nominees for election as directors at each annual stockholder meeting (or special meeting of stockholders at which directors are to be elected);
- 3 to recommend candidates to fill any vacancies on the Board of Directors or any committee thereof;
- 4 to oversee the evaluation of the Board of Directors; and
- 5 to assist the Board of Directors in developing and monitoring the Company's corporate governance guidelines.

#### **MEMBERSHIP**

The members of the Committee and the chairperson of the Committee shall be appointed by the Board of Directors and may be removed by the Board of Directors on recommendation of the Committee. All members of the Committee shall meet the independence requirements of The American Stock Exchange and all other applicable laws, rules and regulations governing director independence, as determined by the Board of Directors.

#### **MEETINGS**

- 1 The Committee's chairperson (or in his or her absence, a member designated by the Committee's chairperson) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with the provisions of the Company's bylaws that are applicable to a committee of the Board of Directors.
- 2 In order to discharge its duties and responsibilities, the Committee shall meet on a regularly scheduled basis at least once a year and more frequently as the Committee deems necessary or desirable. Any member of the Committee may call a special meeting of the Committee. Meetings of the Committee may be held in-person or via telephonic conference.
- 3 Except as otherwise provided by statute or this Nominating Committee Charter (the "Charter"), a majority of the members of the Committee shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the Committee members present and voting at any meeting at which a quorum is present shall be the act of the Committee. Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval in writing.
- 4 The Committee may, in its discretion, invite other directors of the Company, members of the Company's management or any other person whose presence the Committee believes to be desirable and appropriate to attend and observe meetings of the Committee.
- 5 The Committee shall maintain minutes or other records of meetings and activities of the Committee. Minutes of meetings of the Committee shall be distributed periodically to the full Board of Directors.
- 6 All action taken by the Committee (or any subcommittee thereof) shall be reported to the Board of Directors, which shall generally occur at the next meeting of the Board of Directors following such action.

#### **Disclaimer**

Except for the historical information contained herein, the matters discussed in this document are forward-looking statements that involve risks and uncertainties, including but not limited to business conditions and the amount of growth in the computer industry and general economy, competitive factors, and other risks detailed from time to time in the Company's SEC reports, including but not limited to its annual report on Form 10-K and its quarterly reports on Forms 10-Q. The Company does not undertake any obligation to update forward-looking statements. All trademarks and brand names are the property of their respective companies.

## **DUTIES AND RESPONSIBILITIES**

- 1 Director Recruitment. The Committee shall consider and recruit candidates to fill positions on the Board of Directors, including as a result of the removal, resignation or retirement of any director, an increase in the size of the Board of Directors or otherwise. The Committee shall be responsible for conducting, subject to applicable law, any and all inquiries into the background and qualifications of any candidate for the Board of Directors and such candidate's compliance with the independence and other qualification requirements established by the Committee.
- 2 Committee Appointments. The Committee shall recommend candidates to fill positions on committees of the Board of Directors, including as a result of the removal, resignation or retirement of any director on any committee of the Board of Directors, or otherwise.
- 3 Director Selection Criteria. The Committee shall establish criteria for selecting new directors and recommending for election a slate of directors at each annual meeting of stockholders, which shall reflect at a minimum any requirements of applicable law or listing standards and which shall be in compliance with any applicable existing contractual obligations or criteria set forth in the Company's constituent documents. In establishing this criteria and recommending candidates for election to the Board of Directors or appointment to any committee of the Board of Directors, the Committee shall consider such factors as it deems appropriate, including, without limitation, the following:
  - a. personal and professional integrity, ethics and values;
  - b. experience in corporate management, such as serving as an officer or former officer of a publicly held company;
  - c. experience in the Company's industry;
  - d. experience as a board member of another publicly held company;
  - e. diversity of expertise and experience in substantive matters pertaining to the Company's business relative to other directors of the Company;
  - f. practical and mature business judgment; and
  - g. composition of the Board of Directors (including its size and structure).
- 4 Stockholder Director Nominations. The Committee shall develop and recommend to the Board a policy regarding the consideration of director candidates recommended by the Company's stockholders and procedures for submission by stockholders of director nominee recommendations.
- 5 Removal of Directors. In appropriate circumstances, the Committee, in its discretion, shall consider and may recommend the removal of a director for cause, in accordance with the applicable provisions of the Company's certificate of incorporation and bylaws. If the Company is subject to a binding obligation that requires director removal structure inconsistent with the foregoing, then the removal of a director shall be governed by such instrument.
- 6 Charter Review. The Committee shall review and reassess the adequacy of this Charter on an annual basis annually and recommend any proposed changes to the Board of Directors for approval.
- 7 Investigation of Other Matters. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention.
- 8 Other Duties. In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities that may be delegated to the Committee by the Board of Directors from time to time, consistent with the Company's bylaws and applicable laws.

## **ACCESS TO RECORDS AND RESOURCES**

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. In carrying out its duties and responsibilities, the Committee shall have full access to any relevant records of the Company and may retain experts and outside consultants to advise the Committee. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee shall have sole authority to engage, terminate and determine the compensation and terms of engagement of any experts, outside consultants, external legal, accounting or other advisors. The Committee may also request that any officer or other employee of the Company, the Company's outside counsel or any other person meet with any members of or consultants to the Committee. The fees, expenses or compensation owed any person

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retained by the Committee and any ordinary administrative expenses of the Committee incurred in carrying out its duties and responsibilities shall be borne by the Company.

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

#### **DELEGATION OF DUTIES**

The Committee shall be entitled to delegate any or all of its duties or responsibilities to a subcommittee of the Committee to the extent consistent with the Company's certificate of incorporation, bylaws, and applicable law and rules of markets in which the Company's securities then trade.

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