

# **DIGITAL VIDEO SYSTEMS, INC.**

## **Corporate Governance and Nominating Committee Charter**

Adopted Effective September 28, 2004

### **Status**

The Corporate Governance and Nominating Committee (the “Committee”) is a committee of the Board of Directors of Digital Video Systems, Inc. (the “Company”).

### **Organization**

The Committee shall consist of no fewer than three members of the Board of Directors. All members of the Committee shall be appointed by the Board, shall be independent of the Company and its affiliates, shall have no relationship to the Company or its affiliates that may interfere with the exercise of their independence, and shall otherwise be deemed “Independent Directors” as defined in Rule 4200 of The Nasdaq Stock Market, Inc. Marketplace Rules (the “Nasdaq Rules”).

The Board will designate one member of the Committee as its Chair. The Committee will meet no less than two times per year. Special meetings may be convened as required. The Chair of the Committee shall report to the full Board on the results of these meetings. The Committee may invite to its meetings other Directors, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities. The Committee shall annually review its own performance.

The Committee may form and delegate authority to subcommittees when appropriate.

### **Roles and Responsibilities**

The Committee has the following duties:

#### *Corporate Governance Generally*

- Develop principles of corporate governance and recommend them to the Board for its consideration and approval;
- Review, no less frequently than annually, the principles of corporate governance approved by the Board to ensure that they remain relevant and are being complied with;
- Review proposed changes to the Company’s Certificate of Incorporation and bylaws and make recommendations to the Board; and
- Oversee compliance by the Board and its committees with applicable laws and regulations, including those promulgated by the Securities and Exchange Commission, and the Nasdaq Rules.

### *Board Composition, Evaluation and Nominating Activities*

- Review composition and size of Board and determine the criteria for Board membership including issues of character, judgment, diversity, age, expertise, corporate experience, length of service, independence, other board commitments and the like;
- Conduct an annual evaluation of the Board as a whole and evaluate the performance of individual Board members eligible for reelection;
- Identify, consider and recommend candidates to fill new positions or vacancies on the Board;
- Review any candidates for the Board recommended by stockholders, provided such recommendations are submitted in compliance with the Company's policies and procedures for consideration of candidates for the Board;
- The Committee shall have the sole authority to retain and terminate any search firm to be used to identify Board candidates and shall have sole authority to approve the search firm's fees and other retention terms;
- Select, or recommend for the selection of the Board, the director nominees for election to the Board by the stockholders at the annual meeting of stockholders;
- Review the disclosure included in the Company's proxy statement regarding the Company's policies and procedures for the Committee's consideration of candidates for the Board;
- Evaluate director compensation, consulting with outside consultants and/or with the Human Resources department when appropriate, and make recommendations to the Board regarding director compensation;
- Review and make recommendations to the Board with respect to the Directors' Option Plan and any proposed amendments thereto; and

### *Board Committees*

- Periodically review the charter and composition of each Board committee and make recommendations to the Board for the creation of additional Board committees or the change in mandate or dissolution of Board committees; and
- Recommend to the Board persons to be members of the various Board committees.

*Conflicts of Interest*

- Monitor the Company's code of business conduct and ethics, which applies to directors and employees;
- Consider questions of possible conflicts of interest of Board members and of corporate officers; and
- Review actual and potential conflicts of interest (including Potential taking of "corporate opportunity" by insiders) of Board members and corporate officers, and clear any involvement of such persons in matters that may involve a conflict of interest or taking of corporate opportunity.