

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 4, 2021

**AIADVERTISING, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**000-13215**

(Commission File Number)

**30-0050402**

IRS Employer  
Identification No.)

**321 Sixth Street  
San Antonio, TX**

(Address of Principal Executive Offices)

**78215**

(Zip Code)

**(805) 964-3313**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

File of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02 Election of Directors; Compensatory Arrangements of Certain Officers.**

On November 4, 2021, the Board of Directors of AiAdvertising, Inc. (the "Company") appointed Mark Fruehan to serve on the Company's Board of Directors.

Since September 30, 2021, Mr. Fruehan has served as Chief Executive Officer of First Screen of the Americas, which offers digital first brands and content creators alternative distribution and billing mechanisms to monetize content. From July 2020 to June 2021, Mr. Fruehan was Chief Revenue Officer of Tradeswell, the leading AI-driven eCommerce solution, which helps brokers and resellers sell on Amazon, Walmart, and Target. Prior to serving as Chief Revenue Officer at Tradeswell from April 2018 to July 2020, Mr. Fruehan served as President and Chief Revenue Officer at Verve Group, a Media and Games Invest SE portfolio company (Berlin) and a privacy-first omnichannel ad platform offering programmatic solutions that connects advertisers and publishers to people in real time. In October 2016, Mark co-founded Amplify.ai, a global enterprise chatbot platform funded by Costanoa Ventures, which was recently acquired by Triller.net; leading the sales and partner development through their start-up phase until March of 2018. Mr. Fruehan's roots in the mobile and wireless industry run deep, with leadership roles at Opera Mediaworks & AdMarvel as President, and Head of Business development and innovation at VeriSign and CellStar.

Mr. Fruehan has over 30 years of experience in the digital and mobile industry across cost per engagement, mobile content data service, media, monetization, including payments, and messaging. Mr. Fruehan has worked closely with brands, mobile operators, and media companies; in addition to holding several advisory seats and board memberships at early-stage ventures and established tech companies alike. Mr. Fruehan attended Penn State, earning a Bachelor of Science in Economics, and is a proud member of the 1982 NCAA Championship Football Team.

Mr. Fruehan will serve as a director until the next meeting of stockholders, or until his earlier death resignation or removal.

The Company's Board of Directors has determined that Mr. Fruehan is "independent" within the meaning of the rules of The Nasdaq Stock Market and is qualified to serve on the Board of Directors because of his extensive industry experience within the ad-tech industry, his deep connections with advertisers and publishers, and his senior management experience.

There is no arrangement or understanding between Mr. Fruehan and any other persons, pursuant to which he was selected as a director. Mr. Fruehan has not engaged in any transaction, or any currently proposed transaction, in which the Company was or is to be a participant and the amount involved exceeds \$120,000, and in which any related

person had or will have a direct or indirect material interest. There are no family relationships between Mr. Fruehan and any director or executive officer of the Company.

Mr. Fruehan will receive the Company's standard director compensation of \$30,000 annually.

**Item 8.01 Other Events.**

Effective as of November 4, 2021, the Board approved the formation of its audit committee (the "Audit Committee"), compensation committee (the "Compensation Committee") and nominating and corporate governance committee (the "Nominating Committee" together with the Audit Committee and Compensation Committee, collectively, the "Committees"). The Committees consist of Richard Berliner, Virginia "Rosie" O'Meara and Mark Fruehan.

The Company's Board of Directors has adopted charters (the "Committee Charters") to govern the membership and function of the Committees. The Committee Charters are filed herewith as exhibits 99.1, 99.2 and 99.3, respectively. A copy of each of the Committees Charters will also be placed on the Company's website at <https://www.aiadvertising.com>.

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**Item 9.01 Exhibits.**

<b>Exhibit No.</b>	<b>Exhibit</b>
99.1	<a href="#">Audit Committee Charter</a>
99.2	<a href="#">Compensation Committee Charter</a>
99.3	<a href="#">Nominating Committee Charter</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**AIADVERTISING, INC.**

Date: November 4, 2021

By: /s/ Andrew Van Noy  
Name: Andrew Van Noy  
Title: Chief Executive Officer

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**CHARTER OF THE AUDIT COMMITTEE**

**OF**

**AIADVERTISING, INC.**

**Membership**

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of AiAdvertising, Inc. (the “**Company**”) shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934 and the rules of the NASDAQ Stock Market LLC (“**NASDAQ**”). No member of the Committee can have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who meets the definition of audit committee financial expert will also be presumed to have financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities

No member of the Committee may serve simultaneously on the audit committee of more than two other public companies without prior approval of the Board.

The members of the Committee shall be appointed by the Board based on recommendations from the nominating and corporate governance committee of the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

**Purpose**

The purpose of the Committee is to oversee the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on: management for the preparation and accuracy of the Company’s financial statements; both management and the Company’s internal audit department/management for establishing effective internal controls and procedures to ensure the Company’s compliance with accounting standards, financial reporting procedures, and applicable laws and regulations; and the Company’s independent auditors for an unbiased, diligent audit or review, as applicable, of the Company’s financial statements and the effectiveness of the Company’s internal controls. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

**Duties and Responsibilities**

The Committee shall have the following authority and responsibilities:

- To (1) select and retain an independent registered public accounting firm to act as the Company’s independent auditors for the purpose of auditing the Company’s annual financial statements, books, records, accounts, and internal controls over financial reporting, subject to ratification by the Company’s stockholders of the selection of the independent auditors, (2) set the compensation of the Company’s independent auditors, (3) oversee the work done by the Company’s independent auditors, and (4) terminate the Company’s independent auditors, if necessary.
- To select, retain, compensate, oversee, and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company.
- To approve all audit engagement fees and terms, pre-approve all audit and permitted non-audit and tax services that may be provided by the Company’s independent auditors or other registered public accounting firms, and establish policies and procedures for the Committee’s pre-approval of permitted services by the Company’s independent auditors or other registered public accounting firms on an on-going basis.
- At least annually, to obtain and review a report by the Company’s independent auditors that describes (1) the accounting firm’s internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review, Public Company Accounting Oversight Board review, inspection of the firm, or any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues, and (3) all relationships between the firm and the Company or any of its subsidiaries. The Committee shall discuss this report with the Company’s independent auditors and any relationships or services that may impact the objectivity and independence of the auditors.
- To review and discuss with the Company’s independent auditors (1) the auditors’ responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, (3) the scope and timing of the annual audit, (4) any significant risks identified during the auditors’ risk assessment procedures, and (5) when completed, the results, including significant findings, of the annual audit.
- To review and discuss with the Company’s independent auditors (1) all critical accounting policies and practices to be used in the audit, (2) all alternative treatments of financial information within generally accepted accounting principles (“**GAAP**”) that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors, and (3) other material written communications between the auditors and management.
- To review with management and the Company’s independent auditors any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company’s selection or application of accounting principles, any significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including the effects of alternative GAAP methods, and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company’s financial statements.

- To keep the Company's independent auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the company and to review and discuss with the Company's independent auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.
- To review with management, and the Company's independent auditors the adequacy and effectiveness of the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures, including any significant deficiencies or material weaknesses in the design or operation of; any material changes in the Company's processes, controls and procedures; any special audit steps adopted in light of any material control deficiencies; and any fraud involving management or other employees with a significant role in such processes, controls, and procedures. The Committee shall also review and discuss with management and the Company's independent auditors disclosure relating to the Company's financial reporting processes, internal control over financial reporting, and disclosure controls and procedures; the independent auditors' report on the effectiveness of the Company's internal control over financial reporting; and the required management certifications to be included in or attached as exhibits to the Company's annual report on Form 10-K or quarterly report on Form 10-Q, as applicable.
- To review and discuss with the Company's independent auditors any other matters required to be discussed by PCAOB Auditing Standards No. 1301, *Communications with Audit Committees*, including, without limitation, the auditors' evaluation of the quality of the company's financial reporting, information relating to significant unusual transactions, the business rationale for such transactions, the auditors' evaluation of the Company's ability to continue as a going concern, and other applicable requirements of the PCAOB and the SEC.
- To review and discuss with the Company's independent auditors and management the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements, and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's annual report on Form 10-K before the Form 10-K is filed.
- To recommend to the Board that the audited financial statements and the MD&A section be included in the Company's Form 10-K and whether the Form 10-K should be filed with the SEC. The Committee will also be responsible for preparing the audit committee report required to be included in the Company's proxy statement.
- To review and discuss with the Company's independent auditors and management the Company's quarterly financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's quarterly report on Form 10-Q before the Form 10-Q is filed and to review and discuss the Form 10-Q for filing with the SEC.

- To set Company hiring policies for employees or former employees of the Company's independent auditors that participated in any capacity in any Company audit.
- To establish and oversee procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
- To review, with the General Counsel (if any) and outside legal counsel legal and regulatory matters, including legal cases against or regulatory investigations of the Company and its subsidiaries, that could have a significant impact on the Company's financial statements.
- To review, approve, and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis in accordance with Company policies and procedures and to develop policies and procedures for the Committee's approval of related party transactions.
- To oversee the Company's internal audit department, including reviewing its organizational structure, budget, staffing, and performance and the scope and results of the internal audit program.
- To oversee the Company's enterprise risk management program, including data privacy and security.

#### **Outside Advisors**

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent 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 any 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 the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel, and any other advisors to the Committee.

#### **Structure and Operations**

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least quarterly at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements applicable to the Board.

The Committee shall meet separately and periodically with management, representatives of the Company's independent auditors, and the internal audit group, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. However, the Committee shall meet regularly without such individuals present.

The Committee shall have the right to consult with and have free and private access to the Company's independent accounting firm, internal audit, financial

management, and legal staff.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

**Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

## CHARTER OF THE COMPENSATION COMMITTEE

OF

AIADVERTISING, INC.

### Membership

The Compensation Committee (the “**Committee**”) of the board of directors (the “**Board**”) of AiAdvertising, Inc. (the “**Company**”) shall consist of two or more directors. Each member of the Committee shall be independent in accordance with the rules of the NASDAQ Stock Market LLC (“**NASDAQ**”) and the Company’s independence guidelines.

At least two members of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

The members of the Committee shall be appointed by the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

### Purpose

The purpose of the Committee is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation, as well as overseeing the Company’s management of human capital.

### Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

- To annually review and approve the corporate goals and objectives applicable to the compensation of the chief executive officer (“**CEO**”), evaluate at least annually the CEO’s performance in light of those goals and objectives, and determine and approve the CEO’s compensation level based on this evaluation. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation. In evaluating and making recommendations to the Board regarding the CEO’s compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation (“**Say on Pay Vote**”) required by Section 14A of the Exchange Act.
- To review and make recommendations to the Board regarding the compensation of all other executive officers. In evaluating and making recommendations to the Board regarding executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.
- To review and make recommendations to the Board regarding incentive compensation plans and equity-based plans, which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to administer the Company’s incentive compensation plans and equity-based plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. In reviewing and making recommendations to the Board regarding incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.

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- To review and discuss with management the Company’s Compensation Discussion and Analysis (“**CD&A**”) and related executive compensation information, recommend that the CD&A and related executive compensation information be included in the Company’s annual report on Form 10-K and proxy statement, and produce the compensation committee report on executive officer compensation required to be included in the Company’s proxy statement or annual report on Form 10-K.
  - To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company’s proxy statement.
  - To the extent deemed necessary, to determine stock ownership guidelines for the CEO and other executive officers and monitor compliance with such guidelines.
  - To the extent deemed necessary, to review and make recommendations to the Board regarding all employee benefit plans for the Company, which includes the ability to adopt, amend and terminate such plans.
  - Annually review the Company’s policies, programs and initiatives for [diversity, equity and inclusion and] human capital management and provide guidance to the Board and management on these matters as the Committee deems appropriate.
  - To review the Company’s incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.
  - To review all director compensation and benefits for service on the Board and Board committees at least once a year and to recommend any changes to the Board as necessary.
  - To oversee, in conjunction with the Board, engagement with stockholders and proxy advisory firms on executive compensation matters.
  - To review the Company’s peer companies and data sources for purposes of evaluating compensation competitiveness.

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation and oversee the work of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal 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 legal 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 compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel, or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The Committee has the sole authority to retain consultants and advisors as it may deem appropriate. The Committee has the sole authority to approve related fees and other retention terms. The Committee must assess such advisor's independence before retention of such advisors (other than advisors whose role is limited to activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K), taking into consideration the following factors: (i) whether the compensation consulting firm employing the compensation advisor is providing any other services to the Company; (ii) how much the compensation consulting firm who employs the compensation advisor has received in fees from the Company, as a percentage of that person's total revenue; (iii) what policies and procedures have been adopted by the compensation consulting firm employing the compensation advisor to prevent conflicts of interest; (iv) whether the compensation advisor has any business or personal relationship with a member of the Committee; (v) whether the compensation advisor owns any stock of the Company; and (vi) whether the compensation advisor or the person employing the advisor has any business or personal relationship with an executive officer of the Company.

#### **Structure and Operations**

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least once a year at such time and place as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

#### **Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

#### **Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

**CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**  
**OF**  
**AIADVERTISING, INC.**

**Membership**

The Nominating and Corporate Governance Committee (the “**Committee**”) of the board of directors (the “**Board**”) of AiAdvertising, Inc. (the “**Company**”) shall consist of two or more directors. Each member of the Committee shall be independent in accordance with the rules of the NASDAQ Stock Market LLC (“**NASDAQ**”).

The members of the Committee shall be appointed by the Board based on recommendations from the nominating and corporate governance committee of the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

**Purpose**

The purpose of the Committee is to carry out the responsibilities delegated to it by the Board relating to the Company’s director nomination process and procedures, developing and maintaining the Company’s corporate governance policies, and any related matters required by the federal securities laws.

**Duties and Responsibilities**

The Committee shall have the following authority and responsibilities:

- To identify and screen individuals qualified to become members of the Board consistent with the criteria approved by the Board. The Committee shall consider any director candidates nominated or recommended by the Company’s stockholders based upon criteria established by the Board set forth in the Company’s corporate governance guidelines. The Committee shall also consider any nominations of director candidates validly made by stockholders in accordance with applicable laws, rules, and regulations and the provisions of the Company’s charter documents.
- To make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a stockholder vote at the annual meeting of stockholders.
- To develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, to review these principles at least once a year, and to recommend any changes to the Board.
- To oversee the Company’s corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies, and procedures in the Company’s corporate governance framework, including its certificate of incorporation and by-laws.
- To develop, subject to approval by the Board, a process for an annual evaluation of the Board and its committees and to oversee the conduct of this annual evaluation.
- To review the Board’s committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chairmen annually.
- If a vacancy on the Board and/or any Board committee occurs, to identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy either by election by stockholders or appointment by the Board.

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- To develop and recommend for the Board’s approval director independence standards in addition to those required by NASDAQ, if any, for determining whether a director has a material relationship with the Company.
  - To review and discuss with management disclosure of the Company’s corporate governance practices, including information regarding the operations of the Committee and other Board committees, director independence, and the director nomination process, and to recommend that this disclosure be included in the Company’s proxy statement or annual report on Form 10-K, as applicable.
  - To develop and recommend to the Board for approval a succession plan for the CEO and other key executive officers (the “**Succession Plan**”), review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for CEO or other executive positions, and recommend to the Board any changes to and any candidates for succession under the Succession Plan.

**Outside Advisors**

The Committee shall have the authority, in its sole discretion, to select, retain, and obtain the advice of a director search firm as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation and oversee the work of the director search firm. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel, an executive search firm, 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, the executive search firm, the compensation consultant, and any 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 search consultants, outside counsel, compensation consultants, and any other advisors.

**Structure and Operations**

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least once a year at such time and place as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

**Delegation of Authority**



The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

**Performance Evaluation**

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

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