

# **COSTAR TECHNOLOGIES, INC.**

## **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

As amended on October 23, 2019

### **I. General Statement of Purpose**

The Nominating and Corporate Governance Committee of the Board of Directors (the “*Nominating Committee*”) of Costar Technologies, Inc. (the “*Company*”), on behalf of the Board of Directors (the “*Board*”), is responsible for identifying individuals qualified to become board members, consistent with criteria approved by the Board, and for recommending that the Board select the director nominees for election at each annual meeting of stockholders. The Nominating Committee is also responsible for developing and recommending to the Board a set of corporate governance guidelines applicable to the Company, periodically reviewing such guidelines and recommending any changes thereto, and overseeing the evaluation of the Board and its committees.

### **II. Nominating Committee Composition**

The number of individuals serving on the Nominating Committee shall be fixed by the Board from time to time but shall consist of no fewer than two members, each of whom shall satisfy the independence requirements of the NASDAQ Stock Market (“*Nasdaq*”) and the rules and regulations of the Securities and Exchange Commission (the “*Commission*”).

The members of the Nominating Committee shall be appointed, and reviewed annually, by the Board and may be replaced or removed by the Board at any time with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Nominating Committee. Vacancies occurring, for whatever reason, may be filled by the Board. The Board shall designate one member of the Nominating Committee to serve as Chairman of the Nominating Committee.

### **III. Meetings**

The Nominating Committee generally is to meet as often as it determines is appropriate to carry out its responsibilities under this charter in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. A majority of the members of the Nominating Committee shall constitute a quorum for purposes of holding a meeting and the Nominating Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Nominating Committee may act by unanimous written consent. The Nominating Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

#### **IV. Nominating Committee Activities**

The Nominating Committee's purpose and responsibilities shall be to:

##### **A. Review of Charter**

- Periodically review and reassess the adequacy of this Charter and submit any proposed changes to the Board for approval.

##### **B. Performance Evaluation of the Nominating Committee**

- Perform from time to time a performance evaluation of the Nominating Committee and report to the Board on the results of such evaluation.

##### **C. Selection of New Directors**

- Recommend to the Board criteria for Board and committee membership, which shall include a description of any specific, minimum qualifications that the Nominating Committee believes must be met by a Nominating Committee-recommended nominee, and a description of any specific qualities or skills that the Nominating Committee believes are necessary for one or more of the Company's directors to possess, and periodically reassess the adequacy of such criteria and submit any proposed changes to the Board for approval. The current criteria for Board membership are attached to this Charter as Exhibit A.
- Identify and recruit candidates for the Board.
- Review and consider any director candidates who have been recommended by stockholders in compliance with the procedures set forth in the Company's Corporate Governance Guidelines or nominated by stockholders in compliance with the procedures set forth in the Company's By-laws.
- Identify and evaluate nominees for the Board as follows:
  1. The Nominating Committee may solicit recommendations from any or all of the following sources: non-management directors, the Chief Executive Officer, other executive officers, third-party search firms, stockholders or any other source it deems appropriate.
  2. The Nominating Committee will review and evaluate the qualifications of any proposed director candidate, and conduct inquiries it deems appropriate, without regard to the source of the initial recommendation of such proposed director candidate.
  4. In identifying and evaluating proposed director candidates, the Nominating Committee may consider, in addition to the minimum qualifications and

other criteria for Board membership approved by the Board from time to time, all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of business experience or other background characteristics, his or her independence and the needs of the Board.

- Upon identifying individuals qualified to become members of the Board, consistent with the minimum qualifications and other criteria approved by the Board from time to time, recommend that the Board select the director nominees for election at each annual meeting of stockholders; provided that, if the Company is legally required by contract or otherwise to provide third parties with the ability to nominate individuals for election as a member of the Board (pursuant, for example, to the rights of holders of preferred stock to elect directors upon a dividend default or in accordance with shareholder agreements or management agreements), the selection and nomination of such director nominees shall be governed by such contract or other arrangement and shall not be the responsibility of the Nominating Committee.
- Consider recommendations in light of the requirement that a majority of the Board be comprised of directors who meet the independence requirements of Nasdaq and the Commission.
- Recommend to the Board directors for appointment to committees of the Board and for removal therefrom.

**D. Corporate Governance Guidelines**

- Develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Company.
- Periodically review and reassess the adequacy of the Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

**E. Evaluation and Education of Board of Directors**

- Oversee a periodic evaluation of the Board and its committees for the prior fiscal year.
- Develop and oversee the process for the orientation of new directors and the continuing education of existing directors.

**F. Matters Relating to Retention and Termination of Search Firms to Identify Director Candidates**

Exercise sole authority to retain and terminate any search firm that is to be used by the Company to assist in identifying director candidates. The Nominating Committee shall also have sole authority to approve any such search firm's fees and other retention terms, which fees shall be paid by the Company.

**G. CEO Succession Plan**

- Develop a CEO succession plan for consideration by the Board.
- Periodically review and reassess the adequacy of the CEO succession plan and recommend any proposed changes to the Board for approval.

**V. General**

- The Nominating Committee may establish and delegate authority to subcommittees consisting of one or more of its members, when the Nominating Committee deems it appropriate to do so in order to carry out its responsibilities.
- The Nominating Committee shall make regular reports to the Board concerning areas of the Nominating Committee's responsibility.
- In carrying out its responsibilities, the Nominating Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Nominating Committee may consult. The Nominating Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Nominating Committee or meet with any members of or advisors to the Nominating Committee. The Nominating Committee shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its responsibilities and shall have sole authority to approve any such advisor's fees and other retention terms, which fees shall be paid by the Company.
- The Nominating Committee may perform such other functions as may be requested by the Board from time to time.

## EXHIBIT A

### Board Membership Criteria

The Nominating Committee believes that it is in the best interests of the Company and its stockholders to obtain highly qualified individuals to serve on the Board.

At a minimum, the Nominating Committee must be satisfied that each Nominating Committee-recommended nominee meets the following minimum qualifications:

- The nominee shall have the highest personal and professional integrity, shall have demonstrated exceptional ability and judgment, and shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the stockholders.
- The nominee shall be highly accomplished in his or her respective field, with superior credentials and recognition.
- The nominee shall have sufficient time and availability to devote to the affairs of the Company, particularly in light of the number of boards on which the nominee may serve.
- To the extent such nominee serves or has previously served on other boards, the nominee shall have a demonstrated history of actively contributing at board meetings.

In addition to the minimum qualifications for each nominee set forth above, the Nominating Committee shall recommend that the Board select persons for nomination to help ensure that:

- A majority of the Board shall be “independent” in accordance with the requirements of Nasdaq and the Commission.
- Each of its Audit, Compensation and Nominating Committees shall be comprised entirely of independent directors.
- At least one member of the Audit Committee shall have such experience, education and other qualifications necessary to qualify as an “audit committee financial expert” as defined by the rules of the Securities and Exchange Commission.

Finally, in addition to any other standards the Nominating Committee may deem appropriate from time to time for the overall structure and composition of the Board, the Nominating Committee shall consider the following factors when recommending that the Board select persons for nomination:

- Whether the nominee has experience in the industry or in the markets in which the Company operates.
- Whether the nominee has knowledge or experience in areas pertinent to the Company's operations or strategic plans.
- Whether the nominee, if elected, assists in achieving a mix of Board members that represent a diversity of backgrounds, experiences, knowledge, abilities and perspectives.