



## **Governance and Nominating Committee Charter**

### **Purpose**

The Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") of YP Corp. (the "Company") is appointed by the Board to (i) identify individuals who are qualified to become Board members, consistent with criteria approved by the Board, and to select, or to recommend that the Board select, the director nominees for the next annual meeting of stockholders or to fill vacancies on the Board, (ii) develop and recommend to the Board a set of corporate governance principles applicable to the Company, and (iii) oversee the evaluation of the Board and the Company's management.

### **Committee Membership**

The Committee shall consist of no fewer than two members. Except as otherwise permitted by applicable law, rules, regulations, exchange listing standards and/or Section 301 of the Sarbanes-Oxley Act of 2002, each member of the Committee must be "independent" as defined for purposes of such law, rules, regulations and/or listing standards, including rules promulgated by the U.S. Securities and Exchange Commission (the "SEC"). The Committee shall monitor its members throughout the year to confirm that they all remain "independent." The Committee shall have the authority to delegate any of its responsibilities to such subcommittees as the Committee may deem appropriate, provided each member of a subcommittee meets the independence standards required for members of the Committee.

### **Conduct of the Committee; Meetings**

The members of the Committee shall be appointed and removed by the Board in its discretion. The Committee shall report to the Board. A majority of the members of the Committee shall constitute a quorum. The Committee shall meet as often as its members deem necessary to perform the Committee's responsibilities.

### **Authority and Responsibilities**

The Committee has the following authority and responsibilities:

- Develop and recommend to the Board for its approval a set of corporate governance principles applicable to the Company and review such guidelines at least annually and recommend changes as necessary.
- Make recommendations to the Board regarding the size and composition of the Board.
- Establish and periodically reevaluate the criteria and qualifications for Board membership and the selection of candidates to serve as directors of the Company, including independence standards, experience relevant to the needs of the Company, leadership qualities, diversity, and ability to represent the Company's stockholders.
- Identify individuals qualified to become Board members, consistent with criteria approved by the Board, and select or recommend that the Board select the director nominees for the Company's next annual meeting of stockholders or to fill vacancies, subject to any stockholder agreements or other binding obligations of the Company that provide third parties the right to nominate directors or that impose other restrictions.
- Sole authority to retain and terminate any search firm or other advisors to be used by the Committee in carrying out its duties to identify director candidates, and the sole authority to approve such firm's fees and other retention terms.
- Review annually the structure and operations of committees of the Board and the qualifications of members of Board committees, and recommend to the Board for approval the directors to serve or be removed as members of each committee and any subcommittee and to recommend additional committee members to fill any vacancies.</li>
- Monitor the orientation and training needs of directors and management and recommend action to the Board, individual directors, and management with respect to such orientation and training needs.

- Develop and oversee the evaluation of the Board and its committees, as well as the Company's management, which may include developing and recommending an annual self-evaluation process.
- Evaluate annually the Committee's performance.
- Report regularly to the Board upon the Committee's recommendations, actions and other matters as the Board shall from time to time specify to the Committee.

### **Process for Identifying Candidates for Director**

The Committee shall formulate a process to identify candidates to be recommended to the Board for nomination as directors. The process, at a minimum, shall:

- reflect the minimum qualifications that in the view of the Committee are required for membership on the Board;
- reflect any additional qualifications that in the view of the Committee are required of one or more members of the Board;
- provide for the consideration of the qualifications, performance and contributions of incumbent Board members who consent to re-election;
- provide for the identification and evaluation of potential nominees for positions for which the Committee does not select qualified incumbents for re-election; and
- provide for appropriate documentation of the nominations process.

The Board is of the view that the continuing service of qualified incumbents promotes stability and continuity in the board room, giving the Company the benefit of the familiarity and insight into the Company's affairs that its directors have accumulated during their tenure, while contributing to the Board's ability to work as a collective body. Accordingly, the process of the Committee for identifying nominees shall reflect the Company's practice of re-nominating incumbent directors who continue to satisfy the Committee's criteria for membership on the Board, who the Committee believes will continue to make important contributions to the Board, and who consent to continue their service on the Board.

### **Policy and Procedures Regarding Nominating Recommendations of Security Holders**

The Committee shall formulate and recommend for adoption to the full Board a policy regarding consideration of nominees for election to the Board who are recommended by security holders of the Company. The policy shall state at a minimum that the Committee will consider candidates nominated by shareholders of the Company. The policy shall contain any other elements that the Committee deems appropriate. These elements may include requirements relating to minimum share ownership of recommending security holders; qualifications of recommended candidates; and compliance with procedures for submission of recommendations.

The Committee shall adopt procedures for the submission to the Committee of shareholder recommendations of nominees for election to the Board, consistent with the policy adopted by the Board. These procedures, at a minimum, shall include requirements and specifications relating to the following:

- the timing for submission of recommendations;
- the manner of submission of recommendations;
- information required to be provided concerning the recommending security holder;
- information required to be provided concerning the proposed nominee;
- the consent of the proposed nominee to be contacted and interviewed by the Committee; and
- the consent of the proposed nominee to serve if nominated and elected.

### **Procedures for Security Holder Communications with the Board**

It is the policy of the Company to facilitate security holder communications to the Board and to provide a method whereby

interested parties can make their concerns known to the Board's non-management directors. The Committee shall formulate procedures for security holders to send communications to the Board. The Committee shall also formulate procedures for interested parties to communicate with non-management directors. These procedures, at a minimum, shall include requirements and specifications relating to the following:

- the manner in which communications may be sent to the directors;
- any information required to be provided concerning the communicating security holder or other party;
- the process for collecting and organizing communications;
- the process for determining which communications will be relayed to the directors; and
- the manner and timing of delivery of communications to the directors; and
- in the case of communications to non-management directors, procedures for determining if and when such communications should be shared with management.

### **Procedures for Security Holder Communications with the Board Policy on Director Attendance at Annual Meetings**

The Committee shall formulate and recommend to the Board for adoption a policy regarding attendance of directors at annual meetings of the Company's stockholders. The policy may provide for attendance of directors by appropriate means of electronic conferencing.