



**SUTRON CORPORATION**  
21300 RIDGETOP CIRCLE  
STERLING, VIRGINIA 20166  
(703) 406-2800 • FAX: (703) 406-2801  
www.sutron.com

**SUTRON CORPORATION**  
**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

1. **Purpose:** The Corporate Governance and Nominating Committee (“the Committee”) shall (a) identify and recommend to the Board of Directors individuals qualified to become Board of Directors members; (b) recommend to the Board of Directors corporate governance principles, and (c) lead the Board of Directors in complying with its corporate governance principles.

This Committee is committed to ensuring (i) that the nominees for membership on the Board of Directors are of the highest integrity and are able to provide insightful, intelligent and effective guidance to management of Sutron Corporation (“Company”) and (ii) the governance of the Company is in full compliance with the law, reflects generally accepted principles of corporate governance, encourages flexible and dynamic management and effectively manages the risks of the business and operations of the Company.

2. **Composition:** The membership of the Committee shall consist of at least three (3) directors, all of whom shall be independent and appointed annually by the Board of Directors. Independence for membership purposes shall be established in accordance with a Board of Directors determination that such individual has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Chairman of the Board of Directors shall appoint the Chairperson of the Committee at its first meeting after each annual meeting of the shareholders. A director may be removed from this Committee by the Board.

3. **Responsibilities:**

(a) Identification of the requisite skills and characteristics to be found in individuals qualified to serve as member of the Board of Directors. This Committee shall ensure that the Board of Directors consists of individuals from diverse education and professional experiences and backgrounds who, collectively, provide meaningful counsel to management. This Committee will conduct appropriate and necessary inquiries into the background and qualifications of possible candidates, and shall actively recruit qualified individuals.

(b) Oversight of the evaluation of the Board of Directors and management. This Committee shall, without limitation:

(i) Evaluate and report to the Board of Directors the effectiveness of the Board of Directors as a whole and each Committee of the Board of Directors. In this process, the Committee shall receive comments from all Directors and shall review each Committee’s review of its performance.

(ii) Review with the Chief Executive Officer the succession plans relating to officers of the Company.

(iii) Review the functions of the officers of the Company.

(c) Recommend to the Board of Directors director nominees for each Committee;



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(d) Oversight for the corporate governance of the Company, advising the Board of Directors and its Committees on effective management and leadership. In this regard, this Committee shall:

- (i) Develop and recommend to the Board of Directors corporate governance guidelines;
- (ii) Recommend to the Board of Directors appropriate changes to the articles of incorporation, by-laws, corporate governance guidelines, this charter and the charters of the other Committees of the Board of Directors, the code of business conduct and ethics and the code of ethics for senior officers.
- (iii) Advise the Board of Directors with respect to questions of actual, apparent and possible conflicts of interest of Directors and officers of the Company.
- (e) Regularly report its activities to the Board.
- (f) Perform other responsibilities as may be delegated to it by the Board of Directors.

4. **Committee Powers:** This Committee shall have the following powers:

- (a) The sole power to retain and terminate any search firm to be used to identify director candidates, including the authority to approve the fees of the search firm and other retention terms. Any such consultant shall report directly to this Committee.
- (b) To obtain advice from internal or external legal, accounting or other advisors and to have direct access to such advisors without the presence of any officer of the Company.
- (c) To interview and meet with any employee of the Company without the presence of any officer of the Company.
- (d) To form and delegate authority to subcommittees.
- (e) Such other powers as may be necessary or appropriate to fulfill its purposes.

**DATE OF ADOPTION:** July 20, 2005