

DGT HOLDINGS CORPORATION GOVERNANCE AND NOMINATING COMMITTEE CHARTER

Purpose

The purpose of the Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of DGT Holdings Corporation (the “Company”) is to (1) identify, screen, evaluate and recommend for nomination candidates for appointment or election as members of the Board, (2) make recommendations regarding the structure and composition of the Board and committees of the Board, and (3) advise the Board on corporate governance matters.

Composition of the Governance and Nominating Committee

The Committee will be appointed by, and shall serve at the discretion of, the Board, with the exact number being determined by the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee.

Unless a Chair of the Committee is elected by the Board, the members of the Committee may designate a Chair.

Responsibilities

The following shall be the principal recurring duties of the Committee in carrying out its responsibilities. These duties are set forth as a guide with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities under this charter, the Company’s Bylaws and applicable law, rules and regulations.

Nomination

- The Committee shall identify, screen and recommend a slate of director candidates for nomination by the Board for election at each annual meeting of stockholders, and may consult with the Chief Executive Officer (the “CEO”) and management of the Company in such screening and identification process;
- The Committee shall establish criteria for evaluating new directors which shall reflect any requirements of applicable law or listing standards, as well as the nominee’s potential to contribute to the Company’s overall corporate goals and objectives, character, judgment, business experience, personal and professional background, areas of expertise and contribution to diversity of the Board in light of the then-current composition of the Board and the Committee’s assessment of the perceived needs of the Board. The Committee shall consider the performance and qualifications of each potential nominee not only for their individual strengths but for their contribution to the Board as a group;

- The Committee shall identify, screen and recommend potential candidates to fill Board vacancies that may be created by expansion of the number of members of the Board and by resignation, retirement or other termination of service of incumbent Board members, and may consult with the Chief Executive Officer (the “CEO”) and management of the Company in such screening and identification process;
- The Committee shall set procedures and processes with respect to shareholder access to the Company’s proxy statement for the purpose of nominating candidates for election to the Board pursuant to and in compliance with the rules and regulations of the SEC, if applicable, and shall determine whether to reject any such nominees proposed by shareholders in compliance with the rules and regulations of the SEC;
- The Committee shall annually evaluate which members of the Board qualify as “independent” under the applicable laws, rules and regulations of the SEC as well as applicable listing requirements of the exchange upon which the Company’s securities are traded (or, if none, the rules and regulations of the NASDAQ Stock Market);
- The Committee shall have authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such firm’s fees and other retention terms. The Company shall provide the Committee with adequate funding, as determined by the Committee, for payment of compensation to any advisors engaged by the Committee;
- The Committee shall recommend to the Board nominees for Board committees, including the Chair of each such Board committee;
- The Committee may establish (i) a policy for the consideration of any director candidates recommended by security holders, including a statement that the Committee will consider director nominations recommended by security holders, (ii) procedures to be followed by security holders in submitting recommendations for director nominees, (iii) specific, minimum qualifications that it believes must be met by a Committee-recommended nominee and specific qualities or skills that the Committee believes are necessary for one or more members of the Board to possess, and (iv) a process for identifying and evaluating nominees;
- The Committee shall recommend to the Board whether to accept or reject a director resignation, or take other action, where a director fails to receive the required vote for re-election at any meeting at which the person faces re-election, as specified in the Company’s Corporate Governance Principles;
- The Committee shall review the continued appropriateness of members of the Board who change their job responsibilities or circumstances outside of the Company, including through retirement, change in principal occupation or business association, or service on other boards of directors, and in light of any

disclosure made by a member of the Board with respect to any other activities of such member;

- The Committee may establish subcommittees and delegate authority to such subcommittees; and
- The Committee may obtain advice from internal or external legal, accounting or other advisors.

Governance

- The Committee, as needed, will develop, recommend and review a set of corporate governance principles (the “Corporate Governance Principles”) and a code of business conduct and ethics (the “Code of Business Conduct and Ethics”) applicable to the Company, each of which will be approved by the full Board and communicated to all relevant constituents. The Committee will from time to time review and assess the Corporate Governance Principles and the Code of Business Conduct and Ethics, and recommend any changes for approval by the Board;
- The Committee shall consider, establish and provide programs or presentations regarding orientation for new members of the Board and continuing education for existing members of the Board. The Committee shall oversee implementation of orientation for new directors and see that all directors are regularly educated in the matters of the Company’s business and have appropriate access to important Company information in order to fully exercise their fiduciary responsibilities;
- The Committee will advise the Board on corporate governance matters, including with respect to compliance with applicable laws, rules and regulations;
- The Committee will recommend to the Board processes for the evaluation of the Company’s CEO;
- The Committee will recommend to the Board processes for periodic self-evaluations by the Board and the Board committees and, as requested by the Board, will oversee any such evaluation process;
- The Committee shall review from time to time the size and classification of the Board relative to its responsibilities and make any recommendations to the Board as to the change in its size or classification as the Committee determines are appropriate;
- The Committee shall annually review and assess the performance of the Committee and recommend to the Board such changes in its composition or manner of operations as may be necessary to assure that it carries out its responsibilities effectively; and

- The Committee shall review this charter annually and recommend to the Board any changes it determines are appropriate.

Proxy Statement Disclosures

The Committee will be responsible for overseeing the disclosure in the Company's annual proxy statement for its annual meeting of stockholders regarding director nominations and qualifications and for communications between stockholders and directors in accordance with the requirements of Schedule 14A of the SEC's proxy rules.

Meetings, Minutes and Reports to the Board

The Committee will meet in response to the needs of the Board or as otherwise determined by the Chair of the Committee. The Committee may establish its own schedule of meetings, and the Chair of the Committee, in consultation with other members of the Committee, shall set the agenda for such meetings, which will be provided to the Board in advance of any such meeting.

The Committee will maintain written minutes of its meetings. The Committee shall prepare and, through its Chair, submit periodic reports of the Committee's work and findings to the Board and shall include recommendations for Board action when the Committee deems such action appropriate or necessary.

Publication

The Company shall make this charter freely available to stockholders on request and shall publish it on the Company's web site.