



**Key Technology, Inc.**

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

The Board of Directors of Key Technology, Inc. (the "Company"), pursuant to authorized powers under the Company's Bylaws, has established from its members a Nominating and Corporate Governance Committee. This Charter defines the role, authority and responsibility of the Nominating and Corporate Governance Committee.

### **Purposes and Responsibilities**

The Nominating and Corporate Governance Committee is appointed by the Board of Directors to:

- Identify individuals qualified to become members of the Board of Directors, consistent with criteria approved by the Board;
- Select, or recommend to the Board for selection, director nominees to be presented for stockholder approval at the next annual meeting of stockholders;
- Select, or recommend to the Board for selection, director nominees to fill vacancies on the Board as necessary;
- Develop and recommend to the Board of Directors for approval a set of corporate governance principles applicable to the Company;
- Monitor approved corporate governance principles approved by the Board;
- Recommend member nominees and chair nominees for each committee; and
- Establish roles and responsibilities of Committees and Chairs to be clearly stated in charters for each Committee and to review and recommend proposed modifications to the Board as appropriate.
- Review any related party transactions brought to its attention under the guidelines established in the Company's Related Party Transactions Policy adopted by the Board of Directors.

The Committee will make regular reports to the Board and will propose any necessary action to the Board. The Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee will annually evaluate its own performance.

### **Committee Membership**

The Committee will be comprised of at least three members. The Committee will be composed entirely of directors who meet the definition of "independence" under the listing standards of Nasdaq. The Committee members will be appointed by the Board and may be removed by the Board in its discretion. The Committee shall have the authority to delegate any of its

responsibilities to subcommittees as the Committee may deem appropriate, provided the subcommittees are composed entirely of independent directors.

### **Meetings**

The Committee shall meet as often as its members deem necessary to perform the Committee's responsibilities, including meetings in conjunction with each meeting of the Board of Directors except in unusual circumstances. A majority of the members of the Committee shall constitute a quorum. Concurrence of a majority of the quorum (or, in case a quorum at the time consists of two members of the Committee, both members present) shall be required to take formal action of the Nominating and Corporate Governance Committee. Written minutes shall be kept for all formal meetings of the Committee.

The Committee may act by unanimous written consent, and may conduct meetings via conference telephone or similar communication equipment.

### **Committee Authority**

The Committee will have the authority, to the extent it deems necessary or appropriate, to retain a search firm to be used to identify director candidates. The Committee shall have sole authority to retain and terminate any such search firm, including sole authority to approve the firm's fees and other retention terms. The Committee shall also have authority, to the extent it deems necessary or appropriate, to retain other advisors. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any search firm or other advisors employed by the Committee.

The Committee Chair shall supervise an annual Board of Directors self-evaluation process.

The Committee will also review and monitor stock ownership guidelines for directors and executive officers adopted by the Board.

*Adopted by the Board of Directors  
February 8, 2012*