

Policy Governing Director Nominations and Security Holder-Board Communications

The Board of Directors (the “Board”) of Omtool, Inc. (the “Company”) has adopted this Policy Governing Director Nominations and Security Holder-Board Communications in accordance with the proxy disclosure requirements set forth in the rules promulgated by the Securities and Exchange Commission (“SEC”), the corporate governance rules adopted by the Nasdaq Stock Market, Inc. (“Nasdaq”), and any exchange, quotation system or market upon which the Company’s securities are traded, or any governmental or regulatory body exercising authority over the Company (each a “Regulatory Body” and collectively, the “Regulatory Bodies”), as in effect from time to time. The Company recognizes that its security holders desire increased insight into the Company’s director nominations process and greater ease of communication with the Board of Directors, and endeavors to apply this Policy Governing Director Nominations and Security Holder-Board Communications to those ends.

A. IDENTIFYING AND EVALUATING DIRECTOR NOMINEES

1. Responsible Committee.

The Nominating Committee (the “Committee”) is responsible for identifying individuals qualified to become members of the Board and recommending for the Board’s selection director nominees for election at the next annual or other properly convened meeting of shareholders.

2. Process for Consideration of Nominees.

a. Identification of Candidates. The Committee shall identify candidates for director nominees in consultation with management, through the use of search firms or other advisers, through the recommendations properly submitted by shareholders pursuant to the procedures set forth in Section A.3 below or by such other methods as the Committee deems helpful to identify candidates.

b. Evaluation Process. Once candidates have been identified, the Committee shall confirm that the candidates meet all of the minimum qualifications for director nominees set forth in Sections B.1 and B.2 below. The Committee may gather information about the candidates through interviews; detailed questionnaires regarding the candidate’s experience, background and independence; comprehensive background checks or by any other means that the Committee deems to be helpful in the evaluation process. The Committee shall then meet, discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board. Other than the procedural requirements for recommendations of director nominees by security holders (described below), the Committee shall make no distinction in the manner by which the Committee evaluates director nominees, whether nominated by the Board or by a security holder.

c. Recommendation of Nominees to Board. Based on the results of the evaluation process, the Committee shall recommend for the Board’s selection the director nominees for election to the Board.

3. Procedures for Recommendation of Nominees by Security holders.

The Committee will consider candidates for the Board who are recommended by security holders of the Company. Security holders, in submitting recommendations to the Committee for director candidates, shall follow the following procedures:

While security holders can submit recommendations for director nominees at any time, for consideration by the Committee of a candidate submitted by a security holder with respect to potential nomination at a particular annual or special meeting of the security holders at which directors will be elected, the Secretary of the Company must receive any such recommendation for nomination not later than the close of business on the 120th day before the first anniversary of the date of the proxy statement was released to security holders in connection with the preceding year's annual meeting. Nominations received after such date shall be considered for the next annual meeting of security holders.

Such recommendation for nomination must be in writing and include the following:

1. Name and address of the security holder making the recommendation, as they appear on the Company's books and records;
2. Name of the individual recommended for consideration as a director nominee;
3. A written statement from the security holder making the recommendation stating why such recommended candidate would be able to fulfill the duties of a director and whether the security holder consents to being identified in the Company's proxy statement;
4. Any other information (such as biographical data) regarding the recommended candidate that the security holder would like to submit to the Committee to assist it in its evaluation of the candidate; and
5. The recommended candidate's written consent to being named in the proxy statement as a nominee and to serve as a director (if recommended by the Committee, selected by the Board as a nominee and elected), assuming all other procedural and regulatory requirements are satisfied.

Nominations should be sent to the attention of the Secretary of the Company by U.S. Mail (including courier or expedited delivery service) c/o Omtool, Ltd., 8A Industrial Way, Salem, NH 03079.

The Secretary of the Company will promptly forward any such nominations to the Committee. Once the Committee receives the nomination of a candidate, the candidate will be evaluated and if appropriate may be recommended for the Board's selection as a director nominee pursuant to Sections A.2.b and A.2.c above.

B. DIRECTOR QUALIFICATIONS AND SKILLS

The Company seeks directors who possess the qualifications and skills described in this Section B. Moreover, the Company evaluates each individual candidate in the context of the overall

composition and needs of the Board, with the objective of selecting a group that can best manage the Company's business and affairs and represent shareholder interests using its diversity of experience. However, if the Company is legally obligated by contract or otherwise to provide third parties with the ability to nominate directors (for example, the rights of preferred stockholders, rights under shareholder agreements or other agreements), the selection and nomination of such directors shall not be subject to the criteria below.

1. Independence. A majority of the members of the Board and all members of all committees of the Board shall meet the independence requirements to the extent required by the rules promulgated by the Regulatory Bodies, as in effect from time to time.

2. Minimum Qualification. The following is the specific, minimum qualification that the Committee believes must be met by a board nominee:

Adequate Experience. A director must have substantial or significant business or professional experience or an understanding of technology, finance, marketing, financial reporting, international business or other disciplines relevant to the business of the Company.

3. Other Qualities and Skills. The following are the specific qualities or skills that the Committee believes are necessary for one or more of the directors to possess:

- a. Economic, technical, scientific, academic, financial, accounting, legal, marketing, or other expertise applicable to the business of the Company;
- b. Leadership or substantial achievement in their particular fields;
- c. Demonstrated ability to exercise sound business judgment;
- d. Integrity and high moral and ethical character;
- e. Potential to contribute to the diversity of viewpoints, backgrounds, or experiences of the Board as a whole;
- f. Capacity and desire to represent the balanced, best interests of the shareholders as a whole and not primarily a special interest group or constituency;
- g. Ability to work well with others;
- h. High degree of interest in the business of the Company;
- i. Dedication to the success of the Company;
- j. Commitment to responsibilities of a director;
- k. Absence of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Board; and

1. International business or professional experience.

4. Limits on Other Board Memberships and Commitments. The Company expects that a director's existing and future commitments will not materially interfere with such director's obligations to the Company.

The Company recognizes that directors should carefully consider the number of boards on which they serve so that they can give proper attention to each board responsibility. However, the philosophy of the Company is not to set an invariant limit on the number of boards on which a director may serve. In the event a director wishes to join the board of another company, it is expected that the director will advise the Board and/or the Committee of his or her intention.

5. Incumbents. For candidates who are incumbent directors, the Company considers the following factors, among others, when considering such individuals as director nominees: such director's past attendance at meetings and participation in and contributions to the activities of the Board. If such incumbent director has had a significant change in status, such as an employment change, the Company shall also take this event into consideration.

The Committee will consider the above and other qualifications, skills and attributes when recommending nominees for the Board's selection.

C. SECURITY HOLDER-BOARD COMMUNICATIONS

The Board provides to every security holder the ability to communicate with the Board as a whole, and with individual directors on the Board through an established process for security holder communication (as that term is defined by the rules promulgated by the SEC) ("Security Holder Communication") as follows:

1. For Security Holder Communication directed to the Board as a whole, security holders may send such communication to the attention of the Board via the method listed below:

U.S. Mail or Expedited Delivery Service:

Omtool, Ltd.
8A Industrial Way
Salem, NH 03079
Attn: Board of Directors

2. For Security Holder Communication directed to an individual director in his or her capacity as a member of the Board, security holders may send such communication to the attention of the individual director via the method listed below:

U.S. Mail or Expedited Delivery Service:

Omtool, Ltd.
8A Industrial Way
Salem, NH 03079
Attn: [Name of Director]

The Company will forward by U.S. mail any such Security Holder Communication to the Board or any individual director, as specified by the security holder. Complaints and general communications related to accounting matters will be referred to members of the Audit Committee pursuant to procedures adopted by such Committee.

Communications from an officer or director of the Company and proposals submitted by security holders to be included in the Company's definitive proxy statement, pursuant to Rule 14a-8 of the Exchange Act of 1934, (and related communications) will not be viewed as a Security Holder Communication. Communication from an employee or agent of the Company will be viewed as a Security Holder Communication only if such communication is made solely in such employee's or agent's capacity as a security holder.

D. BOARD ATTENDANCE/EXECUTIVE SESSIONS

Each member of the Board is expected to make every reasonable effort to attend annual meetings of the Company. The number of directors attending such meetings will be reported in the Company's filings with the SEC as required by the rules and regulations of the Regulatory Bodies.

Each member of the Board of Directors is also expected to make every reasonable effort to attend Board meetings and meetings of the committees of the Board upon which he or she serves. Failure to attend at least 75% of such meetings will be reported in the Company's filings with the SEC as required by the Regulatory Bodies.

The independent directors (as defined by the Regulatory Bodies) shall have regularly scheduled meetings at which only independent directors are present at least two times a year in conjunction with regularly scheduled board meetings.

E. GENERAL

Amendments. The Committee shall review and assess the adequacy of this Policy Governing Director Nominations and Security Holder-Board Communications periodically, as well as in response to rules promulgated by the Regulatory Bodies. The Company will disclose any material changes to these policies as required by the Regulatory Bodies.