

ASPECT MEDICAL SYSTEMS, INC.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

A. Purpose

The purpose of the Corporate Governance and Nominating Committee is to:

- recommend to the Board the persons to be nominated for election as directors at any meeting of stockholders;
- develop and recommend to the Board a set of corporate governance principles applicable to the Company; and
- oversee the evaluation of the Board.

B. Structure and Membership

1. Number. The Corporate Governance and Nominating Committee shall consist of such number of directors as the Board shall from time to time determine.
2. Independence. Except as otherwise permitted by the applicable rules of NASDAQ, each member of the Corporate Governance and Nominating Committee shall be an “independent director” as defined by such rules.
3. Chair. Unless the Board elects a Chair of the Corporate Governance and Nominating Committee, the Committee shall elect a Chair by majority vote.
4. Compensation. The compensation of Corporate Governance and Nominating Committee members shall be as determined by the Board.
5. Selection and Removal. Members of the Corporate Governance and Nominating Committee shall be appointed by the Board, upon the recommendation of the Corporate Governance and Nominating Committee. The Board may remove members of the Corporate Governance and Nominating Committee from such Committee, with or without cause.

C. Authority and Responsibilities

General

The Corporate Governance and Nominating Committee shall discharge its responsibilities, and shall assess the information provided by the Company’s management, in accordance with its business judgment.

Board and Committee Membership

1. **Selection of Director Nominees.** Except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the right to nominate directors, the Corporate Governance and Nominating Committee shall be responsible for recommending to the Board the nominees for election as directors at any meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board. In making such recommendations, the Corporate Governance and Nominating Committee shall consider candidates proposed by stockholders. The Corporate Governance and Nominating Committee shall review and evaluate information available to it regarding candidates proposed by stockholders and shall apply the same criteria, and shall follow substantially the same process in considering them, as it does in considering other candidates.
2. **Criteria for Selecting Directors.** The Board's criteria for selecting directors are as set forth in the Company's Corporate Governance Guidelines. The Corporate Governance and Nominating Committee shall use such criteria and the principles set forth in such Guidelines to guide its director selection process. The Corporate Governance and Nominating Committee shall be responsible for reviewing with the Board, on an annual basis, the requisite skills and criteria for new Board members, as well as the composition of the Board as a whole. The Corporate Governance and Nominating Committee may adopt, and periodically review and revise as it deems appropriate, procedures regarding director candidates proposed by stockholders.
3. **Search Firms.** The Corporate Governance and Nominating Committee shall have the sole authority to retain and terminate any search firm to be used to identify director nominees, including sole authority to approve the search firm's fees and other retention terms. The Corporate Governance and Nominating Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of any search firm engaged by the Corporate Governance and Nominating Committee.
4. **Selection of Committee Members.** The Corporate Governance and Nominating Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board.

Corporate Governance

5. **Corporate Governance Guidelines.** The Corporate Governance and Nominating Committee shall develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Company. The Corporate Governance and Nominating Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of such Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

Evaluation of the Board; Succession Planning

6. Evaluation of the Board. The Corporate Governance and Nominating Committee shall be responsible for overseeing an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The Corporate Governance and Nominating Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance, to be discussed with the Board.
7. Succession of Senior Executives. The Corporate Governance and Nominating Committee shall oversee an annual review by the Board on succession planning, which shall include transitional Board leadership in the event of an unplanned vacancy.
8. Additional Powers. The Corporate Governance and Nominating Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

D. Procedures and Administration

1. Meetings. The Corporate Governance and Nominating Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Corporate Governance and Nominating Committee shall keep such records of its meetings as it shall deem appropriate.
2. Subcommittees. The Corporate Governance and Nominating Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances.
3. Reports to the Board. The Corporate Governance and Nominating Committee shall report regularly to the Board.
4. Charter. The Corporate Governance and Nominating Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Corporate Governance and Nominating Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Corporate Governance and Nominating Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Corporate Governance and Nominating Committee.
6. Investigations. The Corporate Governance and Nominating Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to

request any officer, employee or advisor of the Company to meet with the Corporate Governance and Nominating Committee or any advisors engaged by the Corporate Governance and Nominating Committee.

7. Annual Self-Evaluation. At least annually, the Corporate Governance and Nominating Committee shall evaluate its own performance.