

RTW, INC.
CHARTER OF THE GOVERNANCE/NOMINATING COMMITTEE
OF THE BOARD OF DIRECTORS

Effective
July 26, 2006

1. PURPOSE

The Governance/Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of RTW, Inc. (the “Company”) has been formed to approve the nomination of individuals to serve as directors of the Company and recommend to the Board individuals to serve as members of the Board committees; to advise the Board with respect to Board composition, procedures and committees; to advise the Board with respect to the corporate governance guidelines and corporate governance matters applicable to the Company; and to oversee the evaluation of the Board.

2. COMPOSITION

The Committee will consist of at least two members of the Board of Directors. The members of the Committee will be appointed by and serve at the discretion of the Board. Vacancies on the Committee will be filled by the Board. Except as set forth in this Section 2, all members of the Committee must be independent as defined in the listing standards of the Nasdaq Capital Market (“Nasdaq”), as amended from time to time. Unless the Chairperson is elected by the full Board, the Committee’s members will elect a Chairperson.

The Chair of the Board may appoint directors that are not independent (as defined by Nasdaq) to the Committee, but these non-independent directors may not serve on the Nominating Subcommittee if one is established under Section 4.a of this Charter.

3. MEETINGS AND MINUTES

The Committee will hold meetings as its members deem necessary or appropriate, but in any event not less than twice annually. Minutes of each meeting will be prepared and distributed to each member of the Board and the Secretary of the Company. The Chairperson of the Committee will report to the Board from time to time, or whenever so requested by the Board.

4. RESPONSIBILITIES

The Committee is charged with the following duties and responsibilities:

- a. Evaluate and Approve Nominees. The Committee will evaluate the suitability of potential director nominees and approve all director nominees for appointment by the Board, according to criteria for selecting new directors, including the possession of knowledge, experience, skills, expertise and diversity so as to enhance the Board’s ability to manage and direct the affairs and business of the Company, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties and to satisfy any independence requirements imposed by law, regulation or Nasdaq listing standards, and any other criteria as determined by the Committee. The Committee will also evaluate and approve nominees recommended by the Company’s shareholders, if the Committee determines that the shareholder is eligible to make the nomination under the procedures set forth in the Company’s Bylaws. If any member of the Committee is not independent, then the duties performed by this Section 4.a will be performed by a Nominating Subcommittee composed solely of independent directors.
- b. Orientate and Educate Director. The Committee will establish the process of, and oversee, the training and orientation of new directors. The Committee will also implement and oversee ongoing director education as appropriate.

- c. Review Existing Board Composition. The Committee will review annually the size and composition of the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise, diversity and independence required for the Board as a whole. The Board will consist of a majority of independent outside directors.
- d. Review Board Committees Composition and Function. The Committee will review annually the size, composition, and functions of each committee of the Board, including the identification of individuals qualified to serve as members of a committee, and make recommendations to the Board for any changes, including changes in membership, or the creation or elimination of committees. The Committee will review at least annually the independence of Audit Committee members.
- e. Special Committees. The Committee may recommend that the Board establish special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise.
- f. Governance Guidelines and Matters. The Committee will develop and review periodically, and at least annually, the corporate governance guidelines adopted by the Board to ensure that they are appropriate for the Company and comply with the requirements imposed by law, regulation, or the Nasdaq listing standards, and recommend any desirable changes to the Board. The Committee will also consider any other corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board.
- g. Evaluate the Board Annually. The Committee will be responsible for overseeing the annual evaluation of the Board as a whole and of individual Directors who may be nominated to the Board. The Committee will establish procedures to allow it to exercise this oversight function.
- h. Evaluate the Committee Annually. The Committee will review, discuss and assess at least annually its own performance under this Charter. In addition, the Committee will evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee will deliver to the Board the results of its evaluation, including any recommended amendments to this Charter.
- i. Evaluation the CEO Annually. The Committee is responsible for establishing a CEO evaluation process.

5. OUTSIDE ADVISERS

The Committee may retain, at the Company's expense, independent counsel or other advisers as it deems necessary to carry out its responsibilities.

Adopted April 27, 2005

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