

## Charter of the Nominating Committee of the Board of Directors

### Overview

The nominating committee consists of no less than three of the members of the Board of Directors who are "independent directors" within the meaning of Rule 5605(a)(2) of the Nasdaq Stock Market. The nominating committee is responsible for the evaluation of nominees for election as director, the nomination of director candidates for election by the shareholders and evaluation of sitting directors. The Board has developed a formal policy for the identification and evaluation of nominees. In general, when the Board determines that expansion of the Board or replacement of a director is necessary or appropriate, the nominating committee will review, through candidate interviews with members of the Board and management, consultation with the candidate's associates and through other means, a candidate's honesty, integrity, reputation in and commitment to the community, judgment, personality and thinking style, willingness to invest in the Company, residence, willingness to devote the necessary time, potential conflicts of interest, independence, understanding of financial statements and issues, and the willingness and ability to engage in meaningful and constructive discussion regarding Company issues. The committee will review any special expertise, for example, that qualifies a person as an audit committee financial expert, membership or influence in a particular geographic or business target market, or other relevant business experience. To date the Company has not paid any fee to any third party to identify or evaluate, or to assist it in identifying or evaluating, potential director candidates.

### A. Representation

Director nominees shall either be selected or recommended for the Board's selection either by Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors participate or a nominations committee comprised solely of Independent Directors.

### B. Committee responsibilities and duties

1. It is the responsibility of the committee to secure candidates for the ballot and present a slate of qualified, acceptable candidates to the board for approval and to the shareholders for a vote.
2. The committee members shall consider the specific discussions related to potential nominees to be confidential.
3. The committee will conduct its business via meetings, conference calls, email, mail or fax as deemed necessary by the committee chair.
4. Copies of all committee action notes, minutes and final correspondence to potential nominees will be forwarded to and retained at the CUI Global corporate office. All such documents or communications are strictly confidential.
5. Committee members will recruit potential candidates by contacting interested members and shareholders to encourage interest in leadership.

### C. Committee chair responsibilities and duties

1. Review the policies and procedures of the nominating committee with the committee members and staff and insure that all activities of the committee are in compliance.
2. Work with the committee to develop a nominating committee timeline.
3. Work with staff to develop a calendar to include:
  - a. Final postmark date for receipt of nomination forms.
  - b. Deadline for distributing all potential nominee information to committee members.

- c. Date of conference call or meeting to select slate of nominees.
  - d. Date to present slate of candidates to board for approval.
  - e. Deadline for notification of candidates of final ballot via phone.
  - f. Deadlines for mailing, receiving, and counting ballots.
  - g. Deadline for notifying all candidates of the election results via phone.
4. Schedule and coordinate with staff the date of the conference call for the selection of nominees.
  5. Ensure all potential nominees are notified of final ballot via phone, and all candidates on the ballot of elections results via phone.
  6. Preside at all nominating committee meetings, insuring that a ballot is prepared in accordance with the nominating committee procedures.
  7. Refer names of individuals not selected for the ballot to the Chair of the Board of Directors for consideration for committees.
  8. Verify eligibility of potential candidates.
  9. Distribute a final list of potential nominees to committee members.
  10. Notify committee members of conference call(s).
  11. Upon approval of the slate by the board, distribute for inclusion in proxy material for distribution to shareholders.

#### **D. Candidate recruitment and selection**

1. Candidate solicitation shall begin with a Call for Nominations published on the CUI Global website or in the annual shareholder meeting proxy statement.
2. The nomination forms will be returned directly to the CUI Global corporate office by the specified date.
3. Meetings and procedures will be carried out according to the time frames established by the committee chair.
4. The committee will review and discuss potential director nominees. After thorough review and discussion, the ballot shall be prepared for board approval via e-mail.
5. Screening guidelines, to be considered at the time of the nominating committee slate preparation, will include validation of eligibility.
6. Potential nominees not chosen for the slate may be considered for a subsequent open board seat.
7. Committee will prepare a report of the recommended slate of candidates for presentation to the board. The committee chair will ensure all candidates are notified as to the final ballot.

#### **E. Nominating criteria**

1. Nominating Committee members will consider the following when preparing the slate of candidates for the Board of Directors and the nominating committee:
  - a. Overall geographical representation of current members
  - b. Continuity versus turnover
  - c. Diversity
2. Candidates may be selected for each position, with the provision for write-in candidates.
3. The prepared ballot shall represent the majority vote of the committee.

#### **F. Nomination of Directors by Shareholders**

1. The nominating committee will consider director candidates nominated by shareholders during such times as the Company is actively considering obtaining new directors. Candidates recommended by shareholders will be evaluated based on the same criteria described above.
2. Shareholders desiring to suggest a candidate for consideration should send a letter to the Company's Secretary and include:
  - a. a statement that the writer is a shareholder (providing evidence if the person's shares are held in street name) and is proposing a candidate for consideration;
  - b. the name and contact information for the candidate;

- c. a statement of the candidate's business and educational experience;
  - d. information regarding the candidate's qualifications to be director, including but not limited to an evaluation of the factors discussed above which the Board would consider in evaluating a candidate;
  - e. information regarding any relationship or understanding between the proposing shareholder and the candidate;
  - f. information regarding potential conflicts of interest; and
  - g. a statement that the candidate is willing to be considered and willing to serve as director if nominated and elected.
3. Because of the small size of the Company and the limited need to seek additional directors, there is no assurance that all shareholder proposed candidates will be fully considered, that all candidates will be considered equally, or that the proponent of any candidate or the proposed candidate will be contacted by the Company or the Board, and no undertaking to do so is implied by the willingness to consider candidates proposed by shareholders.
4. Independent Director oversight of director nominations shall not apply in cases where the right to nominate a director legally belongs to a third party. For example, investors may negotiate the right to nominate directors in connection with an investment in the Company, holders of preferred stock may be permitted to nominate or appoint directors upon certain defaults, or the Company may be a party to a shareholder's agreement that allocates the right to nominate some directors. Because the right to nominate directors in these cases does not reside with the Company, Independent Director approval will not be required.

Adopted and approved by the Board of Directors of CUI Global, Inc. this 5<sup>th</sup> day of August 2011.

Attest:

/s/ Colton Melby  
Colton Melby,  
Board Chairman

/s/ William J. Clough  
William J. Clough,  
President/CEO