

LION, Inc.
Nominating Committee Charter
February 27, 2004

Purpose

The Nominating Committee (the “Committee”) is appointed by the Board of Directors to:

- identify individuals qualified to become board members,
- recommend to the Board potential nominees for the next annual meeting of shareholders
- make recommendations to the Board regarding size and composition of the Board, and
- consider shareholder recommendations for nominees to fill Board positions if such recommendations are received

Committee Membership

The Nominating Committee of the Board of Directors shall be comprised of at least two (2) directors. If composed of only two (2) members, at least one member shall meet the independence requirements of Rule 4200(a)(15) of the NASD’s listing standards, as such sections may be modified or supplemented from time to time. If composed of three (3) or more members, a majority of the members shall meet the independence requirements of Rule 4200(a)(15) of the NASD’s listing standards. The members of the Nominating Committee 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.

Committee Authority and Responsibilities

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 also have authority, to the extent it deems necessary or appropriate, to retain other advisors. The Committee will follow appropriate Company purchasing

policies in advance of any financial commitments for obtaining appropriate funding for payment of compensation to any search firm or other advisors employed by the Committee.

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 the Committee's own performance.

The Committee, to the extent it deems necessary or appropriate, will recommend to the Board director nominations to be presented for shareholder approval at the annual meeting and to fill any vacancies.