



Interphase Corporation

Nominating and Governance Committee Procedures and Criteria for Selecting Director Nominations and Candidates

The responsibilities of the Nominating and Governance Committee are to identify individuals qualified to serve as Directors of the Corporation consistent with criteria developed by the Nominating and Governance Committee and approved by the Board. The Nominating and Governance Committee shall recommend that the Board select the Director nominees for the next annual meeting of shareholders; developing and recommending to the Board corporate governance principles applicable to the Corporation; and overseeing the evaluation of the Board and the Corporation by the Directors.

The Nominating and Governance Committee proposes and the Board of Directors adopts guidelines for identifying and evaluating Director candidates. Under those guidelines, the Nominating and Governance Committee shall consider a number of factors when identifying potential nominees, including: applicable requirements of law and of the Nasdaq National Market, independence from management; diversity; relevant business experience; good business judgment, specific expertise, strength of character, integrity and reputation; existing commitments to other businesses; potential conflicts of interest with other pursuits; legal restraints; corporate governance background; understanding of fiduciary and governance responsibilities in publicly held companies; financial and accounting background and education; executive compensation background and other factors deemed appropriate in adding value to the composition of the existing Board of Directors and its size and structure.

In all cases, Directors should have expertise that will be useful to the Corporation, and should possess the highest personal and professional integrity and ethics, and be willing and able to devote the required time to properly serve the Corporation.

The Nominating and Governance Committee may use a variety of means to identify potential nominees, including recommendations from the Chairman, other Directors or others associated with the Corporation or with the help of executive search firms (which receive a fee for their services).

The Nominating and Governance Committee will consider candidates for Director suggested by shareholders applying the criteria for candidates described above and considering the following additional information:



Shareholders wishing to suggest a candidate for Director should write to our Secretary and include:

- a. as to each person whom the shareholder proposes to nominate for election or re-election as a Director:
 - i. the name, age, business address and residence of such person,
 - ii. the principal occupation or employment of such person,
 - iii. the class and number of shares of the Company which are beneficially owned by such person,
 - iv. information about each of the factors listed in paragraph 2 above,
 - v. a statement detailing any relationship between the candidate and any customer, supplier or competitor of the Corporation,
 - vi. detailed information about any relationship or understanding between the writer or any other shareholder and the candidate,
 - vii. a statement that the candidate is willing to be considered and will serve as a Director if nominated and elected and
 - viii. any other information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors pursuant to Rule 14(a) under the Securities Exchange Act of 1934 and any other applicable laws or rules or regulations of any governmental authority or of any national securities exchange or similar body overseeing any trading market on which shares of the Company are traded, and

- b. as to the shareholder giving the notice:
 - i. the name and record address of the shareholder and
 - ii. the class and number of shares of the Company beneficially owned by the shareholder.

Any shareholder suggested candidates must be submitted to the Company's executive office at least 120 days before the anniversary of the mailing of the previous year's proxy materials.