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NASDAQ INDEPENDENCE STANDARDS

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An independent director is a person other than (1) an executive officer or employee of the Company or its subsidiaries, or (2) any individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board will make an affirmative determination of each director's independence. There are six explicit conditions that will render a director not independent; however, not all directors that fall outside the six exclusions would be automatically independent. The Board will also consider whether other kinds of relationships may affect a director's actual or perceived independence.

The following persons will not be considered independent for purposes of Board or committee membership:

1. A director who is, or at any time during the past three (3) years was, employed by the Company or by any subsidiary of the Company;
2. A director who, or whose family member, within the past three (3) years, accepted any compensation, including political contributions, in excess of \$120,000 from the Company or any subsidiary of the Company during any period of twelve (12) consecutive months. The following are not included in the calculation of payments received: compensation for Board or committee service; compensation paid to family members who are employees (but not executive officers) of the Company or any of its subsidiaries; and benefits under tax-qualified retirement plans or non-discretionary compensation;
3. A director whose family member is, or at any time during the past three (3) years was, employed as an executive officer by the Company or any subsidiary of the Company;
4. A director who is, or whose family member is, a partner, controlling shareholder, or executive officer of any organization to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, payments for property or services during the current or any of the past three (3) fiscal years that exceeded the greater of \$200,000 or 5% of the recipient's consolidated gross revenues for the year in which the payments were made. The following are not included in the calculation of payments received: payments arising solely from investments in the Company's securities or securities of any subsidiary of the Company, and payments under non-discretionary charitable contribution matching programs.
5. A director who is, or whose family member is, employed as an executive officer of another entity where, at any time during the past three (3) years, any of the executive officers of the Company or subsidiary of the Company served on the compensation committee of such other entity; or
6. A director who is, or whose family member is, a current partner of the Company's outside auditor or the outside auditor of any subsidiary of the Company, or was a partner or employee of the Company's outside auditor (or the outside auditor of any subsidiary of the Company) who worked on the Company's audit or the audit

of any subsidiary of the Company at any time during any of the past three (3) years.

A "family member" is defined as a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, as well as anyone residing in such person's home. The "by marriage" requirement is deemed to capture parent, child and sibling relationships arising by marriage (i.e. "in-laws").

In addition to the foregoing, in order to be considered independent for purposes of serving on the Company's Audit Committee, a member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board, or any other Board committee:

- i. Accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary of the Company, other than any pension or other fixed deferred compensation under a retirement plan for prior service with the Company, provided that such compensation is not contingent in any way on continued service; or
- ii. Be an "affiliated person" of the Company or any subsidiary of the Company, as such term is defined by the Securities and Exchange Commission.