
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The purpose of the Nominating and Corporate Governance Committee of the Board of Directors (the “Committee”) of HealthStream, Inc. (the “Company”) is to provide assistance to the Board of Directors (the “Board”) in identifying and recommending individuals qualified to serve as directors of the Company, to review the composition of the Board, to review and recommend corporate governance policies for the Company, to oversee certain environmental, social, and governance (“ESG”) considerations impacting the Company, and to evaluate periodically the performance of the Board. The Committee shall report on its activities periodically to the Board.

Powers and Duties

The function, powers and duties of the Committee are as follows:

1. Identify qualified individuals to serve as members of the Company's Board. In identifying candidates for membership on the Board, the Committee shall take into account all factors it considers appropriate, which may include (a) ensuring that the Board, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as an “audit committee financial expert,” as that term is defined by the rules of the Securities and Exchange Commission (“SEC”)), and/or local or community ties, (b) appropriate qualifications on an individual level, including strength of character, mature judgment, time availability, familiarity with the Company’s business and industry, independence of thought and an ability to work collegially, and (c) other diversity considerations, including taking into account the gender, racial, and ethnic diversity of potential candidates in light of the Company’s ESG and diversity, equity, and inclusion (“DEI”) initiatives as well as applicable laws, rules, regulations, or listing standards. The Committee also may consider the extent to which the candidate would fill a present need on the Board.
2. Review any direct or indirect relationships of members of the Board with the Company or its management to assist the Board with its determination of the independence of its members under the applicable standards of The Nasdaq Stock Market, Inc. (“Nasdaq”) and other applicable laws rules, or regulations.
3. Review the qualifications and performance of incumbent directors to determine whether to recommend them to the Board as nominees for reelection.
4. Review and consider candidates who may be suggested by any director or executive officer of the Company, or by any shareholder if made in accordance with the Company's charter, bylaws and applicable law.

5. Recruit and recommend to the Board qualified nominees for new or vacant positions on the Company's Board.
6. Review and recommend to the Board, after consulting with the Chairman of the Board and the Chief Executive Officer, directors to serve as members of the various committees of the Board.
7. Review considerations relating to board composition, including size of the board, any term and age limits, and the criteria for membership on the Board.
8. Review periodically the management succession plan of the Company and recommend formally to the Board a successor to the Chief Executive Officer when a vacancy occurs.
9. Review from time to time the Company's corporate governance policies, including those relating to the structure and operations of the Board and the Company's Corporate Governance Principles, and the Company's Code of Ethics for its directors, officers and employees, and recommend any changes to the Board.
10. Not less frequently than annually, evaluate the performance of the Board and its contribution to the Company utilizing such processes as may be determined by the Committee, including through self and peer evaluations, skills assessments, or otherwise.
11. Review the orientation process and the continuing education program for all directors, including as may be required by applicable listing standards or other regulatory requirements.
12. Make recommendations to the Board about responses to communications with regulatory authorities and agencies arising out of inquiries and/or investigations relating to the Code of Ethics, and applicable state and federal laws, to the extent the Committee deems necessary or appropriate. Issues relating to inquiries or investigations regarding the quality of financial reports filed by the Company with the SEC or otherwise distributed to the public shall be referred to the Audit Committee for action.
13. Review and oversee compliance with the affirmative action plan(s) of the Company and other diversity, equity, and inclusion and human and social capital-related initiatives, policies and procedures that the Company may adopt with the guidance and supervision of the Committee. Additionally, oversee and/or participate in the human capital disclosure included in the Company's Annual Report on Form 10-K or other reports.
14. Consult with the Lead Independent Director and, as appropriate, the Chairman of the Board prior to each meeting of the Board to review the meeting agenda and make recommendations regarding items to be included on the meeting agenda.
15. Review and oversee ESG considerations of the Company, in accordance with applicable laws, rules, regulations, and listing standards.

16. Make such recommendations to the Board as the Committee may consider appropriate and consistent with its purpose, and take such other actions and perform such services as may be referred to it from time to time by the Board of Directors.
17. Review the Committee Charter from time to time, and recommend any changes to the Board.

Composition of Committee

The Committee shall be comprised of not less than three Board members, including a Committee Chairman, designated by the Board, each of whom shall be independent within the meaning of the listing standards set forth by The Nasdaq Stock Market, Inc. and any other applicable laws, rules, or regulations. If the Lead Independent Director and Chairman of the Nominating and Corporate Governance Committee are held by the same person, to the extent there is overlap in the duties of the two roles, such duties may be carried out in concert with one another. Members of the Committee shall be appointed annually by the Board.

Meetings

The Committee shall meet at least annually and more frequently as necessary or appropriate, including teleconferences when appropriate. Special meetings of the Committee may be called on one-day notice by the Chairman of the Board or the Committee Chairman. A majority of the Committee shall constitute a quorum, and the Committee shall act only on the affirmative vote of a majority of the members present at the meeting; provided that the Committee may form and delegate authority to subcommittees or members when appropriate. The Committee shall maintain minutes of all meetings documenting its activities and recommendations to the Board.

Committee Access and Resources

In carrying out its responsibilities, the Committee shall have access to all the Company's books, records, directors, officers and employees. The Committee shall have the authority to consult with the Company's counsel. The Committee shall also have the authority to employ any counsel or other advisor of its selection, at the Company's expense, should the Committee deem it appropriate or desirable to do so.