

*Adopted April 20, 2010*  
*Amended September 23, 2010*

**CHARTER FOR THE NOMINATING AND GOVERNANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF ELECTROMED, INC.**

This charter governs the composition, operations and responsibilities of the Nominating and Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Electromed, Inc. (the “Company”).

**I. PURPOSE**

The Nominating and Governance Committee shall report to and assist the Board. The purposes of the Committee shall be to (i) identify and recommend qualified individuals to be nominated for election to the Board; (ii) to review the size, structure, and membership of the Board; and (iii) to draft, update, and implement the Company’s policies and procedures related to corporate governance. The committee will primarily fulfill these duties by carrying out the responsibilities enumerated in Section III of this charter.

**II. MEMBERSHIP**

The Board appoints members of the Committee and the Chair of the Committee. The Board may remove any member of the Committee with or without cause. The Chair of the Committee shall conduct the Committee meetings and represent the Committee to the Board. In the absence of the election of a Chair by the Board, the members of the Committee shall elect a Chair by majority vote of the Committee membership.

The Committee shall be comprised of three or more directors of the Board. The Committee may include members who have not been determined to be independent, as such standard is set forth under the federal securities laws, rules and regulations and under the applicable rules of Nasdaq or any exchange on which the Company’s shares are traded, as interpreted by the Board in its business judgment, subject to any election by the Board of Directors to (i) rely upon the phase-in provisions applicable to initial public offerings, (ii) rely on controlled company exemptions, or (iii) designate director nominations to a nominating subcommittee comprised of all of the independent members of the Board.

The Board as a whole may act in place of the Committee, so long as actions are taken in compliance with applicable SEC and NASDAQ corporate governance requirements.

**III. RESPONSIBILITIES AND DUTIES**

1. Review with the Board, on an annual basis, the current size, structure, and composition of the Board as a whole and whether the Company is being well served by the current directors, taking into account the particular experience, qualifications, attributes, skills, level of independence, and record of service of each of the directors individually and the Board as a whole in relation to the needs and goals of the Company.
2. Set criteria and policies for nomination to the Board. The criteria and policies for nomination to the Board shall be annexed to this Charter.

3. Recommend, for selection by a vote of the independent members of the Board, director nominees for election or re-election or to fill a vacancy that has arisen on the Board. Recommendations shall be made in accordance with the policies and criteria set forth in this Charter and Annex A hereto. The Committee shall review any candidates nominated by the shareholders, conducting the review with the same degree of care and consideration as would be used with any candidate selected by the Committee.
4. Annually propose to the Board the membership for the committees of the Board, including this Committee, based on the membership criteria described in the charters of the respective committees.
5. Ensure that it is advised of significant developments in the law and practice of good corporate governance and applicable law and regulations. The committee shall make recommendations to the Board regarding Board policies and procedures, on all matters of corporate governance, and on any corrective action to be taken, as the Committee may deem appropriate.
6. Lead the process of annual review of the performance of the Chief Executive Officer, the Chief Financial Officer, and other executive officers.
7. Evaluate shareholder proposals and recommend response to the Board or, where the content of the proposal wholly or primarily relates to the area of expertise of another Board committee, delegate evaluation of the proposal to the appropriate committee.
8. Establish any special committee which may be necessary to properly respond to ethical, legal, or other matters that might arise.
9. Review periodically the Company's Code of Ethics and Business Conduct and the policies under which management enforces the Code, and, as necessary, recommend changes to the Code or the policies for its enforcement to the Board, provided however, that review of the financial reporting and internal control portions of the Code shall be conducted by the Audit Committee.
10. Receive recommendations from the Board's other committees, including the Audit Committee and Compensation Committee, regarding alterations to the committees' charters and advise the Board regarding whether to make amendments to the committee charters.
11. On an annual basis, review the committee's own performance and review the adequacy of this Charter and recommend to the Board any modifications or changes to the charter.

#### **IV. MEETINGS AND MINUTES**

The Chair of the Committee, in consultation with other members of the Committee, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least twice each year. A majority of members of the Committee shall represent a quorum and, if a quorum is present, any action approved by at least a majority of the members present shall represent a valid action by the Committee.

The Committee will maintain written minutes of its meeting. Such minutes will be provided to the Board of Directors, and filed with the minutes of the meetings of the Board of Directors.

**V. MANAGEMENT COOPERATION**

Management of the Company shall cooperate with the Committee and render to the Committee such assistance as it shall request for the purpose of carrying out its functions.

**VI. DELEGATION**

To the extent permissible under applicable laws and regulations, the Committee may delegate any of its responsibilities to one or more members of the Committee or a subcommittee comprised of one or more members of the Committee; provided that any such members or subcommittee to whom any responsibilities are delegated shall report regularly to the Committee regarding the matters delegated.

**CRITERIA AND POLICIES FOR DIRECTOR NOMINATIONS  
FOR  
ELECTROMED, INC.**

**Minimum Qualification of Directors**

The Nominating and Governance Committee (the “Committee”) believes that candidates for the Board of Directors (the “Board”) of Electromed, Inc. (the “Company”) should have certain minimum qualifications, including being able to read and understand basic financial statements, having familiarity with the Company’s business and industry, having high moral character and mature judgment, and being able to work collegially with others. The Committee may modify these minimum qualifications from time to time.

**Board Membership Criteria**

The Committee identifies, reviews, evaluates and recommends to the Board candidates for nomination for membership on the Board. An invitation to join the Board should then be extended by the Board through the Chairman of the Board or a designee of the Chairman.

The Committee will consider candidates for the Board who are recommended by shareholders, directors, officers, third party search firms engaged by the Company and other sources. In evaluating director nominees, the Committee considers the following factors:

1. the independence standards established by the Company, the presence of any material interests that could cause a conflict between the Company’s interests and the interests of the director nominee, and the director nominee’s ability to exercise his or her best business judgment in the interest of all shareholders;
2. the director nominee’s willingness to adhere to the Company’s Code of Ethics and Business Conduct;
3. the director nominee’s ability to devote sufficient time to the business of the Board and the Board’s standing committees, in light of the other business and professional commitments of the director nominee;
4. the knowledge, skills and experience of the director nominee, including experience in the industry in which the Company operates, as well as in the general areas of business, finance, management and public service;
5. the director nominee’s familiarity with domestic and international business matters;
6. the director nominee’s familiarity with legal and regulatory requirements that are applicable to the Company;
7. the needs of the Board with respect to particular skill, talent and experience, taking into account prevailing business conditions, the company’s long and short term goals, and the attributes of the current board members.
8. the impact the director nominee would have on the goal of assembling a board that represents a diversity of experience, skill, background, fields of expertise, and viewpoint.
9. the director nominee’s experience with accounting rules and practices; and
10. the Board’s desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

The Committee will consider the attributes of the candidates and the needs of the Board and will review all candidates in the same manner, regardless of the source of the recommendation. Candidates will not be discriminated against on the basis of race, sex, religion, national origin, sexual orientation, disability, or any other basis proscribed by law or inconsistent with the goals of the Company's Code of Ethics and Business Conduct.

### **Shareholder Nomination of Directors**

In order for a candidate to be considered for nomination by the Board, a shareholder must submit to the attention of the Chief Executive Officer of the Company a written recommendation that contains the following information:

1. the full name and address of the shareholder or group submitting the recommendation;
2. the number of shares of common stock of the Company owned (beneficially and of record) by the shareholder or group submitting the recommendation and the date such shares were acquired (together with satisfactory evidence of the duration of ownership, as provided by SEC rules, if the shareholder or group is not a registered holder);
3. the full name and address of the director nominee;
4. the age of the director nominee;
5. a five-year business history of the director nominee;
6. the amount of common stock of the Company owned (beneficially and of record) by the director nominee;
7. whether the director nominee can read and understand basic financial statements;
8. the director nominee's other board memberships, if any;
9. any family relationships between the director nominee and any executive officer or current director of the Company;
10. any business transactions between the director nominee or the candidate's business and the Company;
11. a written consent of the director nominee to be named in the Company's proxy statement and to serve as a director if elected; and
12. a written consent of the shareholder or group to be named in the Company's proxy statement.

Additionally, any holder of common stock nominating a candidate is encouraged to set forth any other qualifications which he or she believes the candidate has to serve as director of the Company and the reasons why the holder believes the candidate should be elected to the Company's Board. The Committee or the Board may require the shareholder or nominee to furnish additional information to evaluate the nominee's suitability. In the event a shareholder does not comply with the nomination process described herein, the proposed nomination may be declared defective and disregarded.