

APPLIED OPTOELECTRONICS, INC.
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. MEMBERSHIP:

The Nominating and Corporate Governance Committee (the “Committee”) of Applied Optoelectronics, Inc. (the “Corporation”) shall be comprised of at least three members of the Corporation’s Board of Directors (the “Board”). The members of the Committee shall be appointed by the Board and shall collectively meet the applicable independence and other requirements of The NASDAQ Stock Market (“Nasdaq”) and applicable federal law. Members of the Committee may be removed at any time, with or without cause, by the Board.

II. QUORUM:

A majority of the members of the Committee shall constitute a quorum.

III. FREQUENCY:

The Committee shall meet as required either on the dates of regular Board meetings or in special meetings as appropriate.

IV. PURPOSE:

The purpose of the Committee is to focus on the issues surrounding the composition, practices and operation of the Board and to review and make recommendations to the Board on matters concerning corporate governance; Board composition; identification, evaluation and nomination of director candidates; Board committees; Board compensation and conflicts of interest.

V. LIMITATIONS:

The Committee shall not have authority to: (1) adopt, amend, or repeal the Corporation’s Bylaws; (2) elect Directors to fill vacancies on the Board; (3) fill vacancies on the Committee or change its membership; (4) amend the Corporation’s Certificate of Incorporation; (5) act on matters assigned to other committees of the Board; or (6) take any action prohibited by the Corporation’s Certificate of Incorporation, Bylaws or applicable law.

VI. MINUTES:

Minutes will be kept of each meeting of the Committee and will be provided to each member of the Board upon request. Unless otherwise restricted by the Corporation’s Certificate of Incorporation or Bylaws, any action that may be taken at any meeting of the Committee may be taken without a meeting, if all members of the Committee consent thereto in writing, and the writing is filed with the minutes of proceedings of such committee. Any action of the Committee shall be subject to revision, modification, rescission, or alteration by the Board, provided that no rights of third parties shall be affected by any such revision, modification, rescission, or alteration.

VI. POWERS, RESPONSIBILITIES AND DUTIES:

To fulfill its responsibilities and duties, the Committee shall:

1. Make recommendations to the Board regarding all nominees for Board membership, whether for the slate of director nominees to be proposed by the Board to the stockholders or any director nominees to be elected by the Board to fill interim director vacancies.
2. Determine the manner in which stockholders may send communications to the Board (as a whole or individually), as well as the process by which stockholder communications will be relayed to the Board and what the Board's response, if any, should be.
3. Consider director candidates submitted by stockholders and determine the procedure to be followed by stockholders in submitting such recommendations.
4. Periodically review the composition of each Board committee and recommend Board committee structure and responsibilities to be included in the charter of each Board committee to be submitted to full Board for consideration.
5. Recommend directors to serve on each Board committee and suggest rotations for chairpersons of the Board committees as the Committee deems appropriate.
6. Retain and terminate any search firm on behalf of the Company to identify director candidates as the Committee deems appropriate.
7. Review issues and developments related to corporate governance matters and recommend corporate governance standards to the Board.
8. Evaluate and recommend any revisions to Board and Board committee meeting policies and logistics to be submitted to full Board for consideration.
9. Review annually the effectiveness of the operation of the Board and Board committees, including the corporate governance and operating practices.
10. Review annually and reassess the adequacy of this Charter and recommend any changes to the Board.
11. Review and evaluate the Committee's own performance periodically.
12. Review the disclosure included in the Corporation's proxy statement regarding the Corporation's nomination process.
13. Periodically review the compensation paid to non-employee directors and make recommendations to the Board for any adjustments.

14. As deemed appropriate by the Committee, obtain advice or assistance from consultants, legal counsel, accounting or other advisors to perform its duties hereunder and to determine the terms, costs and fees for such engagements. Without limitation, the Committee shall have the authority to, in its sole discretion, retain or terminate any consulting firm so engaged, and to determine and approve the terms of engagement the fees and costs for such engagements. The fees and costs of any consultant or advisor engaged by the Committee to assist it in performing any duties hereunder shall be borne by the Corporation.
15. Perform any other activities consistent with this Charter, the Corporation's Bylaws, Nasdaq rules and governing law, as the Committee or the Board deems necessary or appropriate, including, without limitation, the delegation of authority to one or more members of the Committee of authority to carry out certain activities set forth hereunder.