



# **Nominating and Governance Committee Guidelines for Nomination of Candidates to the Board of Directors**

The Nominating and Governance Committee (the "Committee") has adopted the following process guidelines for nominating individuals to serve on the Board of Directors of Evolving Systems, Inc. (the "Company"):

- 1) **Nomination of an existing Board member whose term is expiring.** Each year prior to preparation of the Proxy Statement for the Annual Stockholder Meeting, the Committee shall meet to determine whether any Board member whose term will expire at the upcoming Annual Stockholder Meeting desires to remain on the Board and, if so, whether such individual should be recommended for nomination. The Committee will evaluate whether the individual continues to meet the then current qualifications and qualities established by the Committee for Board membership, as well as the contributions made by the individual during his or her tenure on the Board. The Committee will, among other things, take into consideration the individual's attendance at Board and committee meetings and his or her participation in, and preparation for, such meetings.

In the event the Committee determines that it is in the Company's best interest to nominate an existing Board member whose term is expiring for re-election, the Committee will adopt a formal recommendation for consideration and adoption by the full Board of Directors, which, if adopted by the Board of Directors, will be contained in the Proxy Statement.

- 2) **Consideration of candidates proposed by Stockholders.** The Committee will consider candidates for the Board proposed by stockholders. Stockholders wishing to nominate a candidate for consideration by the Committee may do so by writing to the Secretary of the Company and providing the candidate's name, biographical data and qualifications. The Committee will consider the candidate for nomination in the same manner as described below, "Consideration of new candidates for the Board." A stockholder proposal for inclusion in the Proxy Statement (and received in accordance with the Company's Bylaws and the procedures described in the previous year's Proxy Statement) will be included in the Proxy Statement in accordance with SEC regulations.
- 3) **Consideration of new candidates for the Board.** The Committee will consider new candidates for the Board to fill vacancies that occur on the Board. Recommendations for candidates may be submitted to the Committee through the Secretary of the Company. The Secretary will forward names and qualifications of proposed candidates to the Committee members, who, after reviewing the materials, will determine whether the candidate appears to meet the qualifications and qualities established by the Committee for Board membership. If the candidate appears to be qualified, the Committee will conduct an interview of the candidate, which may include interviews with management as well as other members of the Board. The Committee may recommend a candidate for membership on the Board, subject to final approval of a majority of the Board of Directors, and the results of a background investigation and reference check of the candidate.

Adopted March 4, 2004.