

Rosetta Stone Inc.

POLICY GOVERNING DIRECTOR QUALIFICATIONS AND NOMINATIONS

The Board of Directors (the “**Board**”) of Rosetta Stone Inc. (the “**Company**”) has adopted this Policy Governing Director Qualifications and Nominations (this “**Policy**”) in accordance with the proxy disclosure requirements set forth in the rules adopted by the Securities and Exchange Commission (the “**SEC**”) and the corporate governance rules adopted by the New York Stock Exchange (the “**NYSE**”). The Company recognizes that its stockholders desire increased insight into the Company’s director nominations process and the Company endeavors to apply this Policy to such end.

Identifying and Evaluating Director Nominees

The Corporate Governance and Nominating Committee (the “**Committee**”) of the Board is responsible for identifying individuals qualified to become directors and recommending candidates for the Board’s selection as director nominees for election at the next annual or other properly convened meeting of stockholders.

The process for identifying and evaluating nominees for the Board, including nominees recommended by stockholders, is as follows:

1. The Committee may actively seek, for recommendation to the Board, individuals qualified to become Board members from any source it deems appropriate, including recommendations of director candidates validly made by stockholders of the Company.
2. The Committee will review and evaluate the qualifications of any such proposed director candidate, and conduct inquiries it deems appropriate to confirm such candidate’s qualifications.
3. The Committee will evaluate all proposed director candidates in the same manner, with no regard to whether the source of the initial recommendation of any proposed director candidates is a stockholder or the result of an active search conducted by the Committee.
4. The Committee will consider for nomination any such proposed director candidate who is deemed qualified by the Committee in light of the minimum qualifications and other criteria for Board membership approved by the Board from time to time.
5. In identifying and evaluating proposed director candidates, the Committee may consider, in addition to the minimum qualifications and other criteria for Board membership approved by the Board from time to time, all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of professional experience or other background characteristics, his or her independence, and the needs of the Board.

Stockholder Recommendations of Director Nominees

The procedures to be followed by stockholders in submitting recommendations for director candidates to the Committee are set forth in the Company’s Bylaws.

Director Qualifications and Skills

The Company seeks directors who possess, at a minimum, the qualifications and skills described below. The Company evaluates each director candidate in the context of the overall composition and needs of the Board, with the objective of recommending a group that can best manage the business and affairs of the Company and represent stockholder interests using its diversity of experience.

The Committee will consider these and other qualifications, skills, and attributes when recommending candidates to the Board.

At a minimum, the Committee must be satisfied that each Committee-recommended nominee meets the following minimum qualifications:

1. The candidate shall exhibit high standards of integrity, commitment, and independence of thought and judgment.
2. The candidate shall be committed to representing the long-term interests of the Company's stockholders.
3. The candidate shall have sufficient time and availability to devote to the affairs of the Company, particularly in light of the number of boards on which the nominee may serve.
4. To the extent the candidate serves or has previously served on other boards, the candidate shall have a demonstrated history of contributing at board meetings.
5. The candidate meets any other minimum qualifications and other criteria for Board membership approved by the Board from time to time.

In addition to the minimum qualifications for each candidate set forth above, the Committee shall recommend that the Board select persons for nomination to help ensure that:

1. A majority of the Board is "independent" in accordance with the standards, if any, promulgated by the SEC, the NYSE or any exchange upon which securities of the Company are traded, and any governmental or regulatory body exercising authority over the Company.
2. There is a sufficient number of directors available and eligible to serve on each of the Audit, Compensation, and Corporate Governance and Nominating Committees, and that these committees are comprised entirely of independent directors.
3. At least one member of the Audit Committee shall have such experience, education and other qualifications necessary to qualify as an "audit committee financial expert" as defined by the rules of the SEC.

In recognition of the Company's global reach and diverse customer base, the Board is committed to maintaining a diverse and inclusive Board membership. In addition to any other standards the Committee may deem appropriate from time to time for the overall structure and composition of

the Board, the Committee is encouraged to consider whether the candidate, if elected, assists in achieving a combination of Board members that represents a diversity of background, experience and viewpoints. However, a director candidate should not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity. The Committee may also consider the following factors when selecting and recommending that the Board select persons for nomination:

1. Whether the candidate has direct experience in the Company's industry or in the markets in which the Company operates.

2. Whether the candidate has experience at a strategic or policymaking level in a business, government, non-profit or academic organization of high standing.

3. Whether the candidate is accomplished in his or her respective field, with strong credentials and recognition.

4. Whether the candidate is well regarded in the community.

5. Whether the director has a professional, financial, family, or other interest that could cause a conflict of interest with the Company, even if such interest does not impact the candidate's "independence."