

GOVERNANCE AND NOMINATING COMMITTEE CHARTER

The Board of Directors (the "Board") of Digimarc Corporation (the "Company") has delegated to the Governance and Nominating Committee (the "Committee") responsibility for: (a) governance functions, including overseeing the quality and integrity of the corporate governance practices of the Company, and such other duties and functions as directed by the Board from time to time, and (b) nominating functions, including optimizing the composition, competence and integrity of the Board and its committees by searching for and recommending individuals for election to the Board, and such other duties and functions as directed by the Board from time to time. This delegation shall include all such duties and responsibilities that are consistent with this charter, the Company's Bylaws, as amended from time to time, and governing law, rules and regulations.

The Committee's role includes: (a) the review, monitoring, and general oversight regarding corporate policies and procedures involving corporate governance and compliance with significant legal, ethical, and regulatory requirements, and (b) responsibility for Board development, including the need to attract and elect independent members of the Board with expertise in areas supportive of and consistent with the strategic initiatives of the Company.

The Committee is directly responsible for oversight of the Company's corporate and other compliance programs. This oversight responsibility includes monitoring compliance with applicable laws, rules and regulations concerning corporate governance applicable to the Company from time to time. The Committee also is directly responsible for identifying, screening and recruiting individuals qualified to become Board members. The Committee also oversees the structure and evaluation of the Board and its committees, and the development, monitoring, and enforcement of the corporate governance principles applicable to the Company.

Delegation by the Board of responsibilities to the Committee shall not exclude the Board from any action permitted to be taken by the Board under governing law, rules or regulations applicable to the Company.

MEMBERSHIP

The membership of the Committee shall consist of at least three directors who are "independent", as such term is defined by Nasdaq rules. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment in carrying out the responsibilities of a member of this Committee. Applicable laws, rules and regulations shall be followed in evaluating a member's independence. Each member of the Committee, as well as the chairperson of the Committee, shall be appointed, and may be removed, by a majority of the directors then serving on the Board.

COMMUNICATIONS/REPORTING

The Committee is expected to maintain free and open communication with the management, and as necessary and appropriate, the financial and legal personnel of the Company. Free and open communication shall include, at the discretion of the Committee,

regularly scheduled private executive sessions with such personnel. The Committee chairperson shall report on Committee activities to the full Board. Any counsel, executive search firm or other experts or advisors retained by the Committee shall report directly to the Committee.

EDUCATION

The Company is responsible for providing the Committee with educational resources related to corporate governance principles and procedures, current legal and regulatory topics pertinent to the Company, best practices in connection with Board composition, director qualifications and nominating procedures, and such other material as the Committee may request. The Company shall assist the Committee in obtaining appropriate regulatory, recruitment, and strategic information.

AUTHORITY AND FUNDING

In discharging its oversight role, the Committee is empowered to conduct or authorize investigations of any matter brought to its attention and the Committee has the authority to engage, at the Company's expense, counsel, executive search firms or other advisors, as it deems appropriate to carry out its duties. The Committee is empowered to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

RESPONSIBILITIES

Governance Responsibilities: The Committee shall have authority to review, monitor and provide oversight with regard to all issues of corporate governance not specifically delegated to the Audit Committee by statute, rule or regulation or by charter. The Committee shall have express jurisdiction with regard to issues including, but not limited to:

1. codes of business conduct and ethics
2. standards of employee behavior
3. conflicts of interest
4. related party transactions
5. corporate opportunities
6. corporate compliance with laws and regulations
7. corporate policies, procedures and compliance manuals
8. corporate trade practices, both domestic and international
9. complaints and concerns regarding improper or unethical conduct and
10. such other matters as the Board shall designate from time to time.

The Committee's specific duties and responsibilities in carrying out its oversight role may include the following activities, to the extent not otherwise required under applicable law, rules or regulations:

Review and assess the adequacy of the Company's policies and practices on corporate governance and recommend any proposed changes to the Board for approval.

Review and assess the adequacy of the Company's Code of Conduct, the Code of Ethics for Financial Professionals, the Standards of Professional Conduct for Legal Personnel and other internal policies and guidelines and monitor that the principles described therein are being incorporated into the Company's culture and business practices.

Review the Company's business practices, particularly as they relate to the Company's corporate governance policies and programs. The Company's senior management shall provide regular reports to the Committee.

Develop and recommend to the Board appropriate criteria for determining director independence, to the extent not already provided for by statute or by rule or regulation of the SEC or NASDAQ.

Monitor and report to the Board on the independence of the Board.

Review and take appropriate action on any potential conflict of interest or related party transaction.

Review from time to time the Board's committee structure and recommend to the Board the number, identity, and responsibilities of Board committees.

Review the adequacy of the charters adopted by each committee of the Board, and recommend changes as necessary.

Develop and recommend to the Board for its approval an annual evaluation process for the Board and its committees, and oversee this evaluation process.

Review adherence by directors to corporate guidelines regarding transactions with the Company.

Monitor the orientation and continuing education programs for directors.

Nominating Responsibilities: The Committee's specific responsibilities in carrying out its Board development role include:

1. establishing and executing a strategic plan for Board development,
2. soliciting and recommending individuals for election to the Board,
3. managing the solicitation and screening process, including the retention of any retained search firms, as they deem appropriate, and
4. discussing with individual candidates appropriate terms and conditions for joining the Board, including compensation-related issues.

In carrying out the purposes set forth above, the Committee may, among other things, take the following actions, to the extent not otherwise required under applicable law, rules or regulations:

Identify qualified candidates for the Board, evaluate candidates and recommend to the Board director nominees to be recommended for election by the shareholders at the Company's annual meeting.

As the need arises to fill vacancies, actively seek individuals qualified to become members of the Board.

Establish criteria for identifying and selecting individuals who may be nominated to the Board, which shall reflect at a minimum all applicable laws, rules, regulations, and listing standards.

Consider unsolicited nominations for Board membership in accordance with the guidelines established by the Committee.

Consider appropriate criteria, including a potential candidate's experience, areas of expertise, and other factors relative to the overall composition of the Board.

Identify director nominees who shall have the highest personal and professional integrity, shall have demonstrated exceptional ability and judgment, and, together with other nominees and members, shall effectively serve the shareholders' long term interests and contribute to the Company's overall corporate goals.

Review from time to time the skills and characteristics necessary and appropriate for directors in the context of the Board's current composition, including such factors as business experience and other skills that would enhance the Board's effectiveness.

In consultation with the Board and the CEO, as appropriate, either the Committee, as a whole, or a subcommittee thereof may evaluate and consider potential successors to the CEO, and in the event of a vacancy, screen and nominate candidates to be CEO. The Committee may also provide an annual report to the Board on CEO succession.

Review and advise on the appropriateness of the size of the Board relative to its various responsibilities

General Responsibilities: In addition to the Committee's specific duties and responsibilities in carrying out its governance oversight and nominating roles, the Committee shall periodically perform the following activities, to the extent not otherwise required under applicable law, rules or regulations:

Periodically review the Committee's performance.

Periodically assess the adequacy of its charter, and recommend changes to the Board as needed.

Meet on a regular basis and report to the Board on the Committee's activities.

Obtain advice and assistance, as needed, from internal and external legal, accounting, or other advisors, including the retention, termination and negotiation of terms and conditions of the assignment.

Delegate responsibilities to subcommittees of the Committee as necessary and appropriate.

The list of responsibilities will be updated from time to time, to the extent necessary, to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices.

In addition, the Committee may review the policies and procedures adopted by the Company to fulfill its responsibilities and applicable rules and regulations of the SEC and Nasdaq.

The Committee relies on the expertise and knowledge of management of the Company and its outside counsel in carrying out its oversight responsibilities. Management of the Company is responsible for determining that all information and materials provided to the Committee are complete, accurate, and in accordance with regulatory principles. It is not the duty of the Committee to assure compliance with laws and regulations or the Company's internal policies, procedures, and controls.

The Board and the Committee are in place to represent the Company's shareholders.

The "Policy on Director Nominations, Communications with Shareholders, Attendance at the Annual Meeting, and Provision of Certain Company Information" is set forth in Attachment A to this charter.

Adopted: July 30, 2008, amended February 22, 2011

ATTACHMENT A**POLICY ON DIRECTOR NOMINATIONS, COMMUNICATIONS WITH SHAREHOLDERS, ATTENDANCE AT THE ANNUAL MEETING, AND PROVISION OF CERTAIN COMPANY INFORMATION**

The following policy is adopted by the Board of Directors (the "Board") of Digimarc Corporation (the "Company") to establish certain procedures and to address certain other matters in connection with SEC rules relating to the director nomination process and other matters.

I. Information Regarding the Company's Director Nomination Process**A. Governance and Nominating Committee Charter**

The Company shall make available a current copy of the Governance and Nominating Committee Charter to any shareholder: (1) upon the written request of such shareholder to the Secretary of the Company, at the address of the Company's principal executive offices; and (2) by making such charter available on the Company's website at www.digimarc.com.

B. Consideration of Director Candidates Recommended by Shareholders

The Governance and Nominating Committee welcomes and encourages recommendations of director candidates from Digimarc's shareholders. The Governance and Nominating Committee will consider any director candidates recommended by shareholders of the Company, provided the information regarding director candidates who are recommended by shareholders is submitted to the Governance and Nominating Committee in compliance with this policy.

C. Procedures for Submission of Director Candidates Recommended by Shareholders to the Governance and Nominating Committee

Director candidate recommendations from shareholders must be provided in writing and must include (a)(1) the candidate's name, age, business address and residence address, (2) the candidate's biographical information, including educational information, principal occupation or employment, past work experience (including all positions held during the past five years), personal references, and service on boards of directors or other material positions that the candidate currently holds or has held during the prior five years, (3) the class and number of shares of the Company which are beneficially owned by the candidate, (4) any potential conflicts of interest that might prevent or otherwise limit the candidate from serving as an effective member, and (5) any other information pertinent to the qualification of the candidate, and (b)(1) the name and record address of the shareholder making the recommendation, and (2) the class and number of shares of the Company which are beneficially owned by such shareholder and the period of time such shares have been held, including whether such shares have been held for in excess of one year prior to the date of the recommendation. These director candidate

recommendation materials are to be sent to the Secretary of the Company, at the address of the Company's principal executive offices, and may be submitted at any time.

D. Qualifications of Board Candidates

The Governance and Nominating Committee shall consider a potential candidate's experience, areas of expertise, and other factors relative to the overall composition of the Board. In evaluating nominees, the Committee will consider a candidate's independence, character, and acumen and may, if appropriate, establish areas of core competency of the Board. High personal and professional ethics, integrity and values are important attributes, as are good judgment, sound business experience, and a demonstrated commitment to representing the long-term interests of shareholders. An inquisitive and objective perspective, the ability to make independent analytical inquiries, practical wisdom, and mature judgment are also valued. The Committee will also review from time to time the skills and characteristics necessary and appropriate for directors in the context of the Board's current composition, including such factors as business experience, domestic or international background and experience, diversity and diverse perspective, knowledge or experience in areas such as technology, systems integration, operations, finance or marketing, and other skills that would enhance the Board's effectiveness.

A majority of Board of Directors will be "independent directors" pursuant to Nasdaq rules, and as such, the overall composition of the Board is also a consideration. The term "independent director", for purposes of serving on the Board, shall also mean a person not having a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. The Corporation also recognizes, however, that Directors who do not meet the independence standards also make valuable contributions to the Board and to the Corporation by reason of their experience, knowledge and familiarity with the Corporation.

Directors are expected to devote sufficient time to carry out their duties and responsibilities effectively. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with his/her service as a Director. Each Board member is expected to attend at least 75% of all Board and committee meetings. If attendance in person is not feasible, participation telephonically is permitted in conformity with applicable law and the Company's bylaws, as amended from time to time.

There is no specific number of qualifications, qualities or skills that are necessary for a director candidate to possess, other than those that are necessary to meet specific SEC or Nasdaq requirements.

E. Process for Identification and Evaluation of Director Candidates

The Governance and Nominating Committee's process for identifying and evaluating nominees for director, including nominees recommended by shareholders, involves (with or without the assistance of a retained search firm) compiling names of potentially eligible candidates, vetting those candidates against the factors described above, conducting background and reference checks, conducting interviews with candidates and/or others (as schedules permit),

meeting to consider and approve final candidates and, as appropriate, preparing and presenting to the Board an analysis with regard to particular, recommended candidates. The Governance and Nominating Committee also will identify director nominees who have the highest personal and professional integrity, have demonstrated exceptional ability and judgment, and, together with other director nominees and members, shall effectively serve the shareholders' long term interests and contribute to the Company's overall corporate goals. There are no differences in the manner in which the Governance and Nominating Committee evaluates nominees for director based on whether the nominee is recommended by a shareholder.

The Governance and Nominating Committee will respond promptly upon submission to the Committee. Interim inquiries with respect to status and timing can be submitted to the Secretary of the Company by phone or electronically.

II. Process for Shareholders to Send Information to the Board

The Board solicits and encourages all forms of information to be provided to the Board and/or its members. All such communications shall be in written form, addressed to the Board or to one or more individual members of the Board, and sent care of the Secretary of the Company, at the address of the Company's principal executive offices or via fax to (503) 469-4771. The Secretary of the Company shall promptly provide all such communication to the applicable member(s) of the Board or the entire Board.

III. Policy Regarding Board Member Attendance At Annual Meetings

The Board's policy with regard to Board members' attendance at annual meetings is to encourage attendance at such annual meetings if it is otherwise convenient for a member to attend, such as in connection with other meetings of the Board. Candidates for election to the Board should exercise reasonable efforts to attend the annual meeting.