

**CSP Inc.**  
**Directors Resignation Policy**

The “**Resignation Policy in Connection with Majority Withhold Vote**,” policy provides that in an uncontested election of directors of the Company, any nominee standing for election as a director who receives more “**withhold**” than “**for**” votes (a “**Majority Withhold Vote**”) is expected, promptly following certification of the stockholder vote, to offer to the Board to tender his or her resignation as a director for consideration by the Board in accordance with the procedures summarized below. For purposes of the resignation policy, an “uncontested election” means an election in which the number of nominees for election as director is equal to the number of directors to be elected.

Any director who tenders a resignation pursuant to this policy will not participate, as a member of either the Nominating Committee or of the Board, in any deliberations concerning his or her resignation or the resignation of any other director who similarly tendered his or her resignation by virtue of the vote at the same meeting of stockholders. Our Nominating Committee, or in the event our Nominating Committee is not comprised of three independent directors or if any member of the Nominating a Committee is required to offer his or her resignation in accordance with this policy, a special committee of at least three independent directors designated by the Board, will consider the resignation, taking into consideration the best interests of our Company and its stockholders, and will recommend to the Board, among other actions, whether or not to accept the resignation. If there are not at least three independent directors on the Board not required to offer his or her resignation, then the Board will consider the tendered resignations without the prior recommendation of a Board committee. In its deliberations about the proper recommendation, our Nominating Committee (or the special committee, or if no committee is available, the Board) will consider all factors it deems relevant, including, as it deems appropriate any stated reasons of stockholders for the Majority Withhold Vote, any alternatives for curing the underlying cause of the Majority Withhold Vote, the total number of shares voted, how such shares were voted, the number of broker non-votes, the director’s tenure, the director’s qualifications, the criteria for nomination as a director set forth in our director nominee guidelines, the director’s past and expected future contributions to our Company and the overall composition of the Board, including whether the director’s resignation would cause the Company to fail to meet any applicable Securities and Exchange Commission (“**SEC**”) or stock exchange requirement.

Our Board will then act on our Nominating Committee’s (or the special committee’s) recommendation within 90 days following the certification of the stockholder vote. The Board will consider all factors considered by our Nominating Committee (or the special committee) and such additional factors that the Board deems relevant. The Board may accept the resignation, refuse the resignation, or refuse the resignation subject to such conditions designed to cure the underlying cause as the Board may impose. Following the Board’s decision, the Company will promptly publicly disclose the Board’s decision regarding the offer to resign and, if such offer is rejected, the rationale behind the decision.