

Corporate Governance Guidelines

1- Role of the Board

- Provide oversight to the CEO and other senior managers in their conduct of the business with the goal of building long term shareholder value.

2- General Board Functions

- Hold regularly scheduled meetings and special meetings where appropriate.
- Periodically review management's performance and the Company's organizational structure.
- Review succession planning with the CEO on a periodic basis
- Provide guidance, review and when appropriate approval of corporate strategy.
- Through the compensation committee and with advice from the CEO determine compensation for officers and approve awards of equity-based compensation.
- Through the audit committee oversee the accounting and financial reporting process of the Company and the audits of the Company's financial statements.
- Through the nominating committee identify potential candidates for board membership, with the objective being that all new, non-CEO candidates will be independent.
- Retain independent advisors on behalf of the board when appropriate.

3- Size and Composition of Board

- The current size of the board is six, appears effective and should remain in the range of 5-7 members
- A majority of the directors at all times will be independent.
- Independence will be determined in accordance with NASDAQ and United States Securities and Exchange Commission rules, and each independent director shall annually certify in writing that he or she is independent and inform the Board of any change in his or her independent status.
- Selection criteria shall be established by the nominating committee.

4- Board Tenure

- The Company is committed to the annual election of all directors.
- The Board believes that shareholders benefit from continuity of directors and does not believe that a limitation on the number of terms or a mandatory retirement age is in the best interests of shareholders

5- Service on Other Boards

- A director may serve on no more than four public boards (including the Company's Board) and no more than three public audit committees.

6- Conflict of Interest

- The Board is committed to the Company's upholding the highest level of ethical conduct in all matters.
- The Board periodically will review the Company's code of conduct and the Company's efforts to create an ethical environment for the conduct of business.
- All related party transactions – i.e., those that would require disclosure under SEC disclosure requirements – must be approved by the Board or an appropriate committee

7- Executive Sessions of Non-Management Directors

- Non-employee directors will meet regularly without management present.

8- Director Responsibilities

- Directors should be actively engaged in discharging their duties and informed about the business and operations of the company.
- Directors should be adequately prepared for all board and committee meetings.
- Directors are expected to attend all board meetings and meetings of the committees on which they serve.
- Directors are expected to attend the annual meeting of shareholders in person.

9- Review of Committee Charters

- Either directly or through the Governance Committee, annually review the charters of the audit committee, compensation committee, nominating committee and governance committee.
- If necessary make appropriate changes so as to maintain conformity with NASDAQ and other requirements.

10- Annual Board Self Evaluation

- Either directly or through the governance committee assess the performance of the Board and its committees.