

CORPORATE GOVERNANCE GUIDELINES

A. Role of the Board of Directors

The business and affairs of the Company shall be managed by the executive management of the Company under the direction of the Board of Directors, except as may otherwise be provided by law, the Articles of Incorporation or the Bylaws.

B. Board Membership

1. Size of the Board.

The Company's Bylaws provide that the Board of Directors shall consist of not less than three nor more than eleven directors. By resolution of the Board of Directors, the number of directors is currently set at seven. The Nominating and Corporate Governance Committee shall periodically review the appropriate size of the Board, with the goal that the size of the Board maintains needed expertise and independence without becoming too large to function efficiently.

2. Independent Directors.

A majority of the Board shall be composed of "independent" directors, as that term is defined from time to time by the listing standards of The Nasdaq Stock Market, Inc. As required by such listing standards, in assessing independence, the Board shall make a determination whether a director has any material relationship with the Company (directly or as a partner, stockholder or officer of an entity that has a relationship with the Company). In addition, a director would not be deemed independent if he or she is a member of the immediate family of any person who would not qualify as independent, provided that employment of a family member in a non-officer position will not preclude the Board from determining that a director is nonetheless independent. An immediate family member shall include the director's spouse, parents, children, siblings, and in-laws.

3. Selection of Director Nominees.

All candidates shall be evaluated and recommended for nomination by the Nominating and Corporate Governance Committee, unless nominated by a stockholder in accordance with the procedures set forth in the Bylaws. The Nominating and Corporate Governance Committee is responsible for establishing the selection criteria for candidates from time to time and reviewing with the Board such criteria and the appropriate skills and characteristics required of Board members in the context of the then current make-up of the Board. At a minimum, the Nominating and Corporate Governance Committee must be satisfied that each director has the business and professional knowledge and experience applicable to the Company, its business and the goals and perspectives of its stockholders; has a positive record of accomplishment in present and prior positions; has an excellent reputation for preparation, attendance, participation, interest

and initiative on other boards, if any, on which he or she may serve; and has the time, energy, interest and willingness to become involved in the Company and its future.

4. Individual Director's Responsibilities.

All directors are expected to set aside sufficient time in their schedules to fulfill their duties to the Company and its stockholders. All directors are expected to attend the meetings of the Board and of Committees of which they are members regularly, and in no event less than 75% of such meetings annually. They are expected to be prepared for each meeting by reviewing the advance materials and otherwise to participate actively in the Board's or relevant Committee's deliberations.

All directors are expected to comply with the Company's policies, procedures, practices and codes of conduct, including avoidance of conflicts of interest.

5. Term and Board Service Limits.

The Board does not believe it should establish term limits as it believes there is a significant advantage of maintaining the experience and insight into the Company and its operations gained by directors over time.

The Board does not believe it should set a predetermined limit on the number of boards on which a director may serve. However, to enable the Nominating and Corporate Governance Committee to assess potential conflict of interest, if any, or potential interlocking directorships, each director must notify the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve as a member on another board of directors.

6. New Director Orientation.

New directors shall receive an orientation through a combination of presentations and written materials to familiarize each new director with, among other things:

- the Company's Board members and practices,
- the independent auditor,
- major operations,
- key employees,
- significant policies and procedures (including accounting policies and code of ethics),
- the Company's strategic business plan, and
- key Company performance criteria.

7. Director Education.

The Company shall make continuing educational opportunities available for its directors in the areas of corporate governance, financial reporting, executive compensation and other areas of interest or concern to the Board.

8. Resignation or Retirement of Employee Directors.

The Company's officers who also serve as directors must tender their resignation from the Board at the same time that they retire or resign from the Company.

The Nominating and Corporate Governance Committee, in its discretion, shall determine whether any such resignation is accepted.

C. Board Leadership

The Chairman of the Board shall chair each board meeting. In his or her absence, the Bylaws shall govern who will chair the board meeting.

The Board has not designated a lead director to chair executive sessions of the non-management directors. The non-management directors designate a chair at the beginning of any such executive session.

D. Board and Committee Meetings

1. Schedule.

The Board of Directors believes that regular meetings at appropriate intervals are desirable for the performance of their responsibilities. The Board regularly meets at least five times a year. The Chairman of the Board shall prepare a schedule of regular Board and Committee meetings on an annual basis and timely notify the Board of any changes in the schedule.

Special meetings of the Board or a Committee may be called at any time by the Chairman of the Board, the chairman of a Committee or as otherwise provided in the Bylaws.

2. Agendas.

The Chairman of the Board shall establish the agenda for each Board meeting and distribute the agenda in advance to the Board. Prior to each Board meeting, Board members may suggest items to be included on the agendas and raise at any Board meeting subjects that are not on the agenda for that meeting.

The Committee chair shall establish and arrange for the distribution of an agenda to each Committee member in advance of a Committee meeting.

3. Advance Materials.

To the extent practicable, the Secretary shall deliver to the Board or each Committee

member in advance of each meeting of the Board or any Committee materials and information relating to the matters to be considered at the meeting.

4. Executive Sessions.

Executive sessions of the non-management directors will be held after each regular meeting of the Board and at such other times as the non-management directors may choose. The non-management directors may request Company personnel, consultants and other advisors to make presentations or participate in discussions at such meetings.

E. Committees

1. Standing Committees.

The Company currently has four standing Committees of the Board: Audit, Compensation, Executive, and Nominating and Corporate Governance. The Board of Directors will establish additional committees from time to time to facilitate and assist in the execution of its responsibilities. These committees shall generally address issues that, because of their complexity, technical nature, time requirements, or corporate governance principles, cannot be adequately or appropriately addressed at meetings of the entire Board. The Board may dissolve a committee at any time to the extent consistent with law, the Company's Bylaws, and listing standards on The Nasdaq Stock Market, Inc.

2. Responsibilities of Committees.

Each Committee shall promptly inform the Board of the actions taken or issues discussed at their meetings. This will generally take place at the next Board meeting following a Committee meeting.

The purposes and responsibilities of each Committee are set forth in charters approved by the Board.

3. Qualifications of Members.

The members of the Audit, Compensation, and Nominating and Corporate Governance Committees shall consist of directors who are "independent," as defined from time to time in the rules of The Nasdaq Stock Market, Inc. Each Committee charter shall set forth any additional membership requirements.

4. Committee Assignments.

In considering Committee assignments, the Board will consider, where appropriate, the rotation of committee memberships. The Board does not believe that such a rotation should be mandated as a policy, since there may be reasons to maintain an individual director's committee membership.

F. Board Access to Management

Every Board member shall have full access to the management of the Company. It is assumed that Board members will use judgment to be sure that this contact is not unnecessarily distracting to the business operations of the Company and that such contact, where appropriate, be arranged through the Chief Executive Officer or the Secretary, so that the desired expertise and information is available.

G. Review of These Policies

The Nominating and Corporate Governance Committee shall periodically review these policies and recommend appropriate changes to the Board.