Concord Communications, Inc.
Corporate Governance Guidelines

The Board of Directors (the "Board") upon the recommendation of the Corporate Governance & Nominating Committee of the Board of Concord Communications, Inc. (the "Company") has adopted the following Corporate Governance Guidelines (the "Guidelines") to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines should be applied in a manner consistent with all applicable laws and NASDAQ rules and the Company's charter and bylaws, each as amended and in effect from time to time. The Guidelines provide a framework for the conduct of the Board's business. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders.

I. Role of the Board of Directors

1. Management is responsible for the day-to-day business operations of the Company. The Board oversees and guides the Company's management and its business. The basic responsibility of the Board is to exercise its business judgment to act in what it reasonably believes to be in the best interests of the Company and its shareholders and in a manner consistent with its fiduciary duties. Within this framework, the Board also considers the Company's ethical behavior and may consider the interests of other constituents, including the Company's customers, employees and the communities in which it functions.

In discharging their obligations, directors are reasonably entitled to rely on the honesty and integrity of the Company's executives, and its outside advisors and auditors. The directors also shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and to the benefits of indemnification to the fullest extent permitted by law and the Company's Articles of Incorporation and By-Laws.

2. The Board provides oversight with respect to the strategic direction and key policies of the Company. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters.

3. The Board, through its Audit Committee, reviews the Company's financial and disclosure controls and procedures, reviews the independent accountants' qualifications and independence and selects the Company's auditors, and provides oversight of the integrity of the financial statements of the Company and the compliance by the Company with legal and regulatory requirements.

4. The Board, through its Corporate Governance and Nominating Committee, monitors compliance with a Code of Business Conduct & Ethics, provides oversight of the Company's corporate governance matters, identifies individuals qualified to become board members and recommends to the Board the persons to be nominated as directors at the annual meeting of stockholders.

5. The Board selects the Chief Executive Officer. The Compensation Committee makes recommendations to the Board with respect to performance evaluations and compensation for the Company's Chief Executive Officer and other executive officers; administers the equity-based incentive compensation plans of the Company; and considers from time to time and, when appropriate, makes recommendations to the Board as to the development and succession plans for the executive officers of the Company.

6. The Board does not have a policy on whether the offices of Chairman of the Board and Chief Executive Officer should be separate and, if they are to be separate, whether the Chairman of the Board should be selected from among the independent directors or should be an employee of the Company.

7. The Board establishes a corporate environment that promotes timely and effective disclosure (including robust disclosure controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with all applicable laws and regulations.

8. The Board reviews and approves material transactions and commitments not entered into in the ordinary course of business.

9. The Board develops a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.

II. Composition of the Board and Selection of Directors

1. The size and composition of the Board should be appropriate for effective deliberation of issues relevant to the Company's businesses and related interests in compliance with Massachusetts state law. A majority of the members of the Board shall be, in the business judgment of the Board, "independent" under the rules of NASDAQ.

2. The credentials of prospective director candidates are reviewed by the Corporate Governance and Nominating Committee. Nominees are selected through a process based on criteria set with the concurrence of the full Board and re-evaluated periodically. The criteria weighed in the director selection process include: the relevance of the candidate's experience to the business of the Company; the candidate's independence from conflict or direct economic relationship with the Company; and the ability of the candidate to attend Board meetings regularly and devote an appropriate amount of effort in preparation for those meetings. It also is expected that outside directors nominated by the Board shall be individuals who possess a reputation and hold positions or affiliations befitting a director of a publicly held company.

3. The Corporate Governance and Nominating Committee annually reviews director suitability and the continuing composition of the Board; it then recommends director nominees who are voted on by the full Board. The Board believes that, if this evaluation is well done, it obviates the need for term limits, which could unnecessarily deprive the Company of experienced directors. The Board shall be divided into three Classes, and the terms of each Class shall be classified so that only one Class will be elected each year.

4. Any significant change in circumstances that may relate to a director's qualifications as a director is considered in determining suitability for continued directorship.

III. Functioning of the Board

1. The Board sets the annual schedule of Board and Committee meetings. Committee schedules are recommended by each Committee in order to meet the responsibilities of that Committee. Directors are expected to regularly attend Board and Committee meetings, to spend adequate time in preparation for such meetings and to meet as frequently as they deem necessary to discharge their responsibilities.

2. Board agendas are generally set by the Chairman with ample opportunity for suggestions from other directors.

3. The Board is provided, in advance of meetings, with agendas and written background information and data with respect to Board/Committee agenda items, as well as other general information relevant to the Company's businesses. As needed, the Board also is provided with information between meetings. In addition, directors are expected to stay abreast of the Company's business and markets and take other actions they deem appropriate to discharge their responsibilities and to enhance their effectiveness as directors.

4. The Chairman of the Company presides at Board meetings. In the event that the Chairman of the Company is unable to attend a meeting of the Board, the most senior director (in terms of current consecutive years of Board service) present shall, at the request of the Chairman of the Company or the Clerk of the Company, chair the meeting. Members of senior management are included in open sessions of Board and Committee meetings, as appropriate.

5. The Board meets regularly in executive session with only directors present. The non-employee directors of the Company meet regularly without management. The director who presides at these full executive sessions is rotated annually among the chairs of the principal Committees of the Board. In addition, the Compensation Committee and the Board meet annually in full executive session, without management, to assess the performance of the Chief Executive Officer and consider the Chief Executive Officer's compensation.

6. Board members have full access to Company management. In addition, the Board or any of its Committees have the authority to retain counsel and other independent experts or consultants, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

7. As a general matter, the Board believes that management speaks for the Company.

IV. Committees of the Board

1. Committees support the role of the Board on issues that benefit from consideration by a smaller, more focused subset of directors. The Board will have at all times an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. All of the members of these Committees will, in the business judgment of the Board, be "independent" directors under NASDAQ rules (unless otherwise provided for by the NASDAQ rules under exceptional and limited circumstances) and meet the standards of independence required under applicable law.

2. The roles of the Committees are defined by the Company's By-Laws and by Committee charters adopted by the Board. The Board may, from time to time, establish additional committees as it deems appropriate. Such committees will have the authority delegated by the Board, as permitted by the Company's By-Laws.

3. At least annually, the Corporate Governance and Nominating Committee, in consultation with the Chairman and the Chief Executive Officer, reviews Committee assignments (members and chairs). In considering a director for Committee membership, the Committee may take into consideration any factors it deems appropriate, including without limitation, the candidate's experience and background and the relevance of such background and experience to the goals and responsibilities of the Committee. The Committee then makes Committee assignment recommendations on which the full Board votes.

4. Committee agendas are set by the respective Committee chairs in consultation with management and other Committee members. Minutes of Committee meetings also are provided to each director. Each Committee chair convenes, as appropriate, executive sessions of outside directors of the Committee to discuss its operations and other related matters.

5. In the absence of a Committee chair, the most senior Committee member (in terms of Committee service) chairs the Committee meeting.

V. Compensation of Directors

1. At least annually, the Corporate Governance and Nominating Committee reviews the Compensation Committee recommendations for directors compensation, and considers those recommendations in light of the appropriateness of the form and amount of director compensation with a view toward attracting and retaining qualified directors.

VI. Conduct and Ethics Standards for Directors

1. Directors are subject to applicable provisions of the Company's Code of Business Conduct & Ethics. Among other things, directors must conduct themselves in a manner that avoids actual or apparent conflicts of interest and that protects the Company's business reputation. A conflict of interest occurs when a director's private interests interferes in any way – or even appears to interfere – with the interests of the Company. Except as authorized by the Board, no outside director shall have a direct economic relationship with the Company. Company loans to, or guarantees of obligations of, directors and their family members are prohibited.

2. Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Accordingly, directors are prohibited from taking for themselves personally Company opportunities that are discovered through the use of Company property, information or position.

3. Directors, in the course of their Company duties, must comply fully with all federal and state laws applicable to the Company's businesses, and with applicable Company policies (including policies relating to use of confidential information and insider trading).