THERAGENICS CORPORATION

CORPORATE GOVERNANCE GUIDELINES

In accordance with the rules of the New York Stock Exchange, the Board of Directors of Theragenics Corporation has adopted Corporate Governance Guidelines as well as charters for the Audit, Compensation and Corporate Governance Committees. Accordingly, these guidelines are under and subject to the Certificate of Incorporation and Bylaws of the Corporation. To fulfill its responsibilities and to discharge its duty, the Board follows the procedures and standards set forth in these Corporate Governance Guidelines. In accordance with the rules of the New York Stock Exchange, the Corporation has posted these Guidelines and Principles on the Corporation's website at www.theragenics.com. These guidelines are subject to modification from time to time, as the Board deems appropriate in the best interests of the Corporation and its shareholders or as required by any applicable laws, rules or regulations.

I. General Philosophy

A. Composition of the Board and Qualifications of Directors

- Pursuant to the Corporation's Bylaws, the Board must consist of at least three directors or such greater number of directors as may be established by either the shareholders or the Board from time to time. Notwithstanding the foregoing, the size of the Board may only be increased by one director in any twelve-month period.

- A majority of the Board shall be composed of directors who meet the requirements for independence established by the New York Stock Exchange and that the Board affirmatively determines to have no material relationship with the Company. To assist the Board in determining whether the director meets the requirements for independence, the Board has adopted the categorical standards set forth in Exhibit A. The Board shall make a determination at least annually as to the independence of each director.

- The composition of the Board should encompass a broad range of skills, including, but not limited to, experience, diversity of opinion, financial background and contacts relevant to the Corporation's business.

- All directors should be persons of the highest integrity, who abide by exemplary standards of business and professional conduct. Directors should possess the skills and judgment, and the commitment to devote the time and attention, necessary to fulfill their duties and responsibilities to the Corporation.

B. Selection and Qualification of Directors

- The Corporate Governance Committee is responsible for recommending that the Board select the director nominees for election at the next annual shareholders meeting as well as the nominees for appointment by the Board to fill vacancies occurring between annual meetings of shareholders.

- The Corporate Governance Committee will identify individuals qualified to become members of the Board who will satisfy the requirements of the New York Stock Exchange and the following criteria, among other:

    - depth and breadth of experience;

    - industry experience;

    - financial background;

    - ability and willingness to devote adequate time to Board and committee matters; and

    - integrity and ability to make independent analytical inquiries.

C. Changes in Employment or Principal Responsibilities

- Directors shall notify the Corporate Governance Committee promptly in the event of changes in their principal employment or their principal responsibilities since they joined the Board or their most recent re-election.

D. Service on Other Boards

- The Board believes that service on the boards of other companies, and of civic and charitable organizations, enhances the experience and perspective of directors, but may also limit their time and availability. Directors must notify the Chairman of the Corporate Governance Committee in advance of accepting an invitation to serve on another company's board or on the board of a not-for-profit organization. To ensure that all members of the Board have sufficient time to devote proper attention to their responsibilities as directors of the Corporation, the Governance Committee shall periodically review the other board commitments of each director on a case-by-case basis.

E. Term Limits and Retirement of Directors

- The Board believes that the judgment as to the tenure of an individual director should rest on an assessment by the Corporate Governance Committee of his or her performance and contributions to the Board. Accordingly, the Board does not believe it should establish term limits. Term limits result in the loss of accumulated knowledge particular to the Corporation and its highly specialized business. Additionally, term limits may result in the loss of the most qualified individuals. The Board also does not believe it should establish a mandatory retirement age.

- The Board shall approve a Code of Conduct applicable to directors, officers and employees of the Corporation, which prohibits retaliation in any form against anyone who reports suspected violations. Any amendments to the Code or waivers of its provisions for directors or executive officers shall be approved by the Audit Committee and promptly disclosed to shareholders.

II. Governance Process

A. Board Operations

- The Board shall receive, review and comment on the annual operating and capital budget as developed by management in advance of each fiscal year. It shall also receive, review and comment on the three-year strategic plan which shall be updated annually. The Corporation's performance benchmarked against the goals and commitments established in these annual budgets and the strategic plan will be reviewed by the Board on a regular basis.

- It is the goal of the Corporation that all its products, facilities and practices will be consistent with the highest safety and quality standards and that the Corporation be operated and managed consistent with all applicable federal, state and local laws and the rules and regulations of the New York Stock Exchange and other applicable regulatory authorities. The CEO shall review with the Board any issues, events, practices or procedures that are inconsistent with the achievement of the foregoing goals.

- The Board, through the Audit Committee, will regularly review the Corporation's system of internal control, financial reporting and disclosure and the Corporations' relationship with external auditors.

- The Board, through the Audit Committee, will regularly review the systems that management has designed and implemented to protect and safeguard the Corporation's assets.

- The Board, through the Governance Committee, will plan for the effective succession of the directors. The Board, through the Compensation Committee, will be responsible for the annual evaluation of the performance of and succession planning for the CEO of the Corporation. The CEO shall provide to the Board, on an ongoing basis, recommendations regarding a successor to be appointed in the event of an emergency. The CEO will also report annually to the Compensation

Committee on the Corporation's executive organization and principal programs for management development and planning for executive succession. The Committee will evaluate and report periodically to the Board on the effectiveness of these processes.

- The Board, through the Compensation Committee, will annually conduct a review of the performance of the CEO against predetermined measures identified in the Strategic Plan and other relevant performance measures.

- Compensation and benefits will be administered by the Compensation Committee and the CEO consistent with the policies as developed by the Compensation Committee in accordance with its charter and approved by the Board.

- The Board will conduct an annual self-evaluation to determine whether it and its committees are effective. The Corporate Governance Committee will oversee the evaluation of the Board and its assessment and seek comments from all directors.

- Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. In addition, the CEO shall review with the Chairman of the Board (to the extent those offices are separate), prior to each Board meeting, the agenda for the meeting and the nature and scope of the materials that will be furnished to the directors in advance of the meeting. The CEO and the Chairman (to the extent those offices are separate) shall regularly inform the Board of any information necessary or deemed relevant to assist directors in fulfilling their fiduciary responsibilities to shareholders.

B. Responsibilities of Individual Directors

The Board commits itself and its members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

- The Board believes that the primary responsibilities of directors are to exercise their business judgment in good faith, to act in what they reasonably believe to be the best interest of all shareholders, and to ensure that the business of the Corporation is conducted so as to further the long-term interests of its shareholders.

- Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

- Directors are expected to become and remain well informed about the business, performance, operations and management of the Corporation; general business and economic trends affecting the Corporation; and principles and practices of sound corporate governance. To these ends, directors shall have unfettered access to management and employees of the Corporation and to its inside and outside counsel and auditors. Executive officers and other senior management are expected to be present at Board meetings at the invitation of the Board.

- In performing their duties, directors are generally entitled to rely on the advice, reports and opinions of counsel, auditors, accountants, consultants and other expert advisors. The Board and each of its committees will have the authority to retain such independent legal, financial or other advisors as deemed necessary or appropriate to carry out their duties and approve the fees and retention terms of such outside advisors.

- Directors must have loyalty to the shareholders and be free of conflicting loyalties to management or any organizations. Transactions involving the Company in which a director or a related person has a material financial interest are subject to the Company's Related Party Transaction Policy and Procedures.

- Directors shall promptly inform the Chairman of the Corporate Governance Committee regarding any actual or potential conflict of interest, who will refer such matter to the Audit Committee if it involves a transaction requiring review under such Policy.

- Directors shall not exercise individual authority over the Corporation or any officer or employee unless pursuant to a specific grant of authority delegated by the Board. All external communications will be through the chairperson or CEO. Unavoidable director interaction with shareholders, the public, the press or other entities must recognize the same limitation on the authority of a director.

- Directors will respect the confidentiality appropriate to issues of a sensitive nature.

- Directors will act in accordance with the Corporation's Code of Conduct and applicable regulations regarding the trading of securities.

- In consultation with the Corporate Governance Committee, management shall provide orientation for all new directors. The Company will also make resources available for continuing director education.

C. Board Committee Structure and Operations

At a minimum, the Board will have the committees required by the rules of the New York Stock Exchange (NYSE). The Board may, from time to time, establish or maintain additional committees as deemed necessary or appropriate. Any such additional committee shall be established by action of a majority of the full Board, which shall describe the role, responsibility, authority and duration of the committee. Any standing committee may establish a sub-committee to facilitate the Committee's work on a particular matter. Unless otherwise provided or required by law or regulation, a committee or sub-committee ceases to exist as soon as its task is complete.

- Currently, the only standing committees are the Audit Committee, the Compensation Committee and the Corporate Governance Committee. The Audit Committee, Compensation Committee and Corporate Governance Committee will each have a written charter. The charters will set forth the purposes, goals and responsibilities of each committee as well as the qualifications for committee membership and committee reporting to the Board. The charters of each standing committee as approved by the Board shall be posted on the Corporation's web site at www.theragenics.com.

- All members of the standing committees will be directors who have been determined by the Board to qualify as independent directors under the criteria established by the New York Stock Exchange as in effect from time to time and under the guidelines established by the Board to assist in determining whether a director has a direct or indirect material relationship which may impact such director's independence. These guidelines are attached hereto as Exhibit A. Members of the Audit Committee should also satisfy the requirements of Rule 10A-3 under the securities Exchange Act of 1934. Committee members will be appointed by the Board upon recommendation by the Corporate Governance Committee. A director may serve on more than one committee for which he or she qualifies.

D. Executive Sessions of Non-Management Directors

To facilitate free and open communication among the non-management directors, the non-management directors will meet periodically in regularly scheduled executive sessions, with no members of management present. Where appropriate, the non-management directors shall inform the full Board and the Chief Executive Officer in a timely manner regarding the topics of discussion covered at such director executive sessions.
Accordingly:

- The non-management directors will set their own agenda.

- The Chairman of the Board will preside at such meetings, unless the Chairman of the Board is not present or is not a non-management director, in which case the Chairman of the Corporate Governance Committee will preside at such meetings.

E. Independent Director Meetings

Independent directors will meet at least once per year.

- The independent directors will set their own agenda.

- The Chairman of the Board will preside at such meetings, unless the Chairman of the Board is not an independent director, in which case the Chairman of the Corporate Governance Committee will preside at such meetings.

F. Director Compensation

- The Compensation Committee will review and make recommendations to the Board consistent with shareholder interests as to the form and amount of director compensation in accordance with the policies and principles set forth in its charter. The Compensation Committee will conduct periodic reviews of director compensation in relation to other companies and its effectiveness in attracting qualified members.

EXHIBIT A

Director Independence Standards

A Director will generally not be considered independent, if, within the preceding five (5) years:

- The director receives or has received, or whose immediate family member receives or has received, more than $100,000 during any twelve-month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- The director is a current partner or employee, or whose immediate family member is a current partner or employee, of a firm that is the Company's present or former internal or external auditor.
- The director is or has been employed, or whose immediate family member is or has been employed, as an executive officer of another company where any of the Company's present executives serve on that company's compensation committee.
- The director is a current executive officer or an employee, or whose immediate family member is an executive officer, of another company that has made payments to, or received payments from the Company for property or services in an amount which, in any of the last three fiscal years, exceeds either (i) 2% of the Company's consolidated gross revenues or (ii) the greater of (A) $ 1 million of such other company's consolidated gross revenues, or (B) 2% of such other company's consolidated gross revenues.
- The director is an executive officer of another company that is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other is more than 2% of the respective company's total assets measured as of the last completed fiscal year.
- For relationships not covered by the guidelines above, or for relationships that are covered, but as to which the Board believes a director may nonetheless be independent, the determination of independence shall be made by the directors who satisfy the NYSE independence rules and the guidelines set forth above. However, any determination of independence for a director who does not meet these standards must be specifically explained in the Company's proxy statement. Further, if an independent director serves as an executive officer of any charitable organization to which the Company contributes in any single fiscal year more than the greater of (i) $1 million or (ii) 2% of such charitable organization's gross revenues, the Company must disclosure such information in its proxy statement.