

CORPORATE GOVERNANCE GUIDELINES
(As Amended through November 5, 2012)

I. Board Issues

A. Role of Board and Management:

The Company's Board of Directors (the "Board"), which is elected by the stockholders, is the ultimate decision-making body of the Company, except with respect to matters reserved to the stockholders. The Board selects the Chief Executive Officer and other senior executives of the Company, who are charged with directing the Company's business. The primary function of the Board, therefore, is oversight—defining and enforcing standards of accountability that enable executive management to execute their responsibilities fully and in the best interests of the Company and its stockholders.

B. Membership:

1. Size of Board. The Certificate of Incorporation of the Company provides that the Board shall consist of not less than 7 nor more than 15 directors, with the exact number to be fixed from time to time by resolution of the Board. The Board believes that a desirable target number of directors is 7-13 allowing, however, for changing circumstances that may warrant a different number.
2. Majority of Independent Directors. The Board shall have a majority of directors who meet the criteria for independence required by applicable rules and listing standards of The NASDAQ Stock Market ("NASDAQ") and any other applicable legal and regulatory requirements (referred to herein as "independent directors"). The Board shall determine, based on all of the relevant facts and circumstances, whether each director satisfies the criteria for independence, and each independent director shall be identified in the Company's annual proxy statement or, if the Company does not file an annual proxy statement, its Annual Report on Form 10-K. To the extent consistent with applicable NASDAQ rules and listing standards, the Board may adopt and disclose "categorical standards" to assist it in making its independence determinations.
3. Board Membership Criteria. The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The Board's assessment of potential members shall include, but not be limited to, an individual's qualification as independent, as well as consideration of diversity, age, educational background, other board experience and commitments, business and professional achievements, skills and experience in the context of the needs of the Board.

4. New Directors. The Nominating and Corporate Governance Committee (the “Nominating Committee”) has, as one of its responsibilities, the recommendation of director candidates to the Board. Consistent with its charter, the Nominating Committee is responsible for screening director candidates. Management, working with the Board, shall provide an orientation program for new directors as deemed appropriate.
5. Director Elections. In accordance with the Company’s By-Laws, directors must be elected by a majority vote of stockholders, subject to certain exceptions (see Article III, Section 4 of the By-Laws).

In order for any incumbent director to become a nominee of the Board for further service on the Board, such person must submit an irrevocable resignation letter in a form approved by the Company (the “Resignation Letter”), contingent on (i) that person not receiving a majority of the votes cast in an election that is not a Contested Election (as defined in the By-Laws) and (ii) acceptance of that resignation by the Board in accordance with these Corporate Governance Guidelines.

In the event an incumbent director fails to receive a majority of the votes cast in an election that is not a Contested Election, the Nominating Committee shall make a recommendation to the Board as to whether to accept or reject the resignation of such incumbent director, or whether other action should be taken. The Board shall act on the resignation, taking into account the Nominating Committee’s recommendation, and publicly disclose (by press release and filing an appropriate disclosure with the Securities and Exchange Commission (the “SEC”)) its decision regarding the resignation within ninety (90) days following certification of the election results. The Nominating Committee, in making its recommendation, and the Board, in making its decision, each may consider any factors and other information that they consider appropriate and relevant, including, without limitation, the stated reasons why stockholders voted “against” such director, the director’s length of service and qualifications, the director’s contributions to the Company, compliance with applicable NASDAQ rules and listing standards, and these Corporate Governance Guidelines.

An incumbent director who fails to receive a majority of the votes cast in an election that is not a Contested Election and who tenders his or her resignation pursuant to these Corporate Governance Guidelines shall remain active and engaged in Board activities while the Nominating Committee and the Board decide whether to accept or reject such resignation, or whether other action should be taken; provided, however, it is expected that such incumbent director shall not participate in any deliberations by the Nominating Committee or the Board regarding

whether to accept or reject such director's resignation, or whether to take other action with respect to such director.

The Board shall fill director vacancies and new directorships only with candidates who agree to tender the same Resignation Letter in accordance with these Corporate Governance Guidelines.

6. Retirement.

(a) Term Limits. The Board does not favor term limits for directors, but the continued tenure of each director shall be re-considered at the end of his or her term, taking into account the results of the Board's most recent self-evaluation, the results of voting by stockholders in director elections, the director's participation in and contributions to the activities of the Board and any other factors deemed appropriate by the Nominating Committee and the Board.

(b) Retirement Policy. The Board does not favor a mandatory retirement age for directors, but the continued tenure of each director shall be re-considered at the end of his or her term, taking into account the results of the Board's most recent self-evaluation, the results of voting by stockholders in director elections, the director's participation in and contributions to the activities of the Board and any other factors deemed appropriate by the Nominating Committee and the Board.

7. Directors Emeritus. Upon the recommendation of the Nominating Committee, the Board may in its discretion designate one or more former directors as a Director Emeritus. Each such designation shall be for a one-year term or until such Director Emeritus' earlier death, resignation, retirement or removal (for any reason or no reason). Each Director Emeritus may be re-appointed for one or more additional one-year terms. Directors Emeritus may attend Board meetings as and when invited by the Board and attend meetings of any committee of the Board as and when invited by the committee, but they shall not be entitled to notice of any such meetings or to vote or be counted for quorum purposes at any such meetings. Directors Emeritus may provide advice and offer opinions to the Board or committees of the Board, but the position shall be advisory only and any person holding the position shall not be considered a director for any purpose, including the Company's Certificate of Incorporation and By-Laws, applicable federal securities laws and state corporation law, and a Director Emeritus shall have no power or authority to manage the affairs of the Company and shall not have any of the liabilities or duties of directors or officers under law in his or her capacity as an Emeritus Director. Any person holding the position shall, however, remain subject to those portions of the Company's Code of Business Conduct and Ethics

(the “Code of Ethics”) and the Company’s Public Disclosure and Securities Trading Policies that are applicable to directors.

8. Board Leadership Structure. The Board is responsible for filling the positions of Chairman and Chief Executive Officer with the person or persons the Board deems qualified and for removing and replacing such person or persons as and when the Board deems necessary or appropriate. The positions of Chairman and Chief Executive Officer may be filled by the same person or by different persons, and the position of Chairman may be filled by an employee director or by a non-employee director. The Board shall periodically review the Company’s leadership structure and has the authority to modify the structure as it deems appropriate given the specific circumstances then facing the Company.

C. Conduct:

1. Directors’ Duties. The primary responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that responsibility, directors shall be entitled to rely on the advice, reports and opinions of the Company’s officers, employees, outside advisors (including counsel) and independent auditors. Directors shall fulfill their responsibilities with due regard for their fiduciary duties under applicable law. Directors shall also be required to comply with those portions of the Code of Ethics applicable to directors. Any waivers of the Code of Ethics for directors or executive officers may be made only by the Board and must be disclosed within four business days by filing a Current Report on Form 8-K with the SEC, by providing website disclosure that satisfies the requirements of Item 5.05(c) of Form 8-K or, in cases where a Form 8-K is not required, by distributing a press release.

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 review meeting materials prior to Board and committee meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same at the meeting. Each director’s attendance at, and preparation for, Board meetings and meetings of committees on which they serve will be considered by the Nominating Committee when recommending director nominees. Directors are expected to attend the Company’s annual meeting of stockholders.

2. Board Meetings.

(a) Selection of Agenda Items and Executive Sessions. The Chairman shall establish the agenda for Board meetings. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is also free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board shall meet regularly in executive session without any members of the Company's management, whether or not they are directors, who may otherwise be present. If any of the non-management directors attending such executive sessions are not independent directors, the Board shall also meet regularly (with it being contemplated that executive sessions will occur at least twice a year) in executive session with only independent directors. A non-management director must preside over each executive session, although the same director is not required to preside over all executive sessions. If the same individual is not the presiding director at each executive session, the directors meeting in executive session must have a procedure by which a presiding director will be selected for each executive session. The lead director or the director chosen to preside over an executive session, as applicable, shall establish the agenda for such session. The Company's annual proxy statement or, if the Company does not file an annual proxy statement, the Company's Annual Report on Form 10-K shall disclose how stockholders can send communications to the entire Board and, if applicable, to specified individual directors and, if such communications are not sent directly to Board members, the Company's process for determining which communications will be relayed to Board members.

(b) Distribution of Materials. The Company shall, if possible, distribute, sufficiently in advance of meetings to permit meaningful review, written materials for use at Board meetings. Where time or circumstances preclude advance delivery of materials, the Chairman or his or her designee shall, if possible, provide advance notice of the subject matter of the meeting.

(c) Attendance of Non-Directors. The Board believes that attendance of and access to key executive officers and outside advisors (including counsel), as deemed appropriate by the Board, augments the meeting process.

(d) Number of Meetings. The Board expects to hold a minimum of 6 meetings per year. In addition to regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company.

3. Conflicts of Interest. Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the

appearance of such a conflict. Directors are expected to be mindful of their fiduciary obligations to the Company and its stockholders. All related party transactions shall be reviewed for potential conflict of interest situations by the Audit Committee or another independent body of the Board.

4. Share Ownership by Directors. The Board has adopted Stock Ownership and Retention Guidelines for executive officers and directors with ownership requirements and holding periods. A copy of those Guidelines is available on the Company's website.
5. Director Compensation. The Compensation Committee is charged with the responsibility of reviewing the compensation of the Board and approving or recommending to the full Board changes thereto from time to time. In this regard, the Compensation Committee may request that management report to the Compensation Committee periodically on the status of the Board's compensation in relation to other public companies. Directors who are Company employees shall not be compensated for their services as directors.

The recommended form and amount of director compensation and perquisites shall be determined by the Compensation Committee in accordance with the principles contained in its charter and any related policies, and the Compensation Committee shall review the form and amount of such compensation periodically as provided in its charter.

6. Continuing Director Education. Management, working with the Board, shall provide (or provide access to) continuing education programs for all directors as deemed appropriate.
7. Assessing Board Performance. The Board and each of its committees, under the direction of the Nominating Committee, shall conduct an annual self-evaluation to determine whether it is functioning effectively.
8. Access to Management and Outside Advisors. Board members shall have complete and open access to members of management and, as appropriate, to the Company's outside advisors (including counsel). The Chairman shall, at his or her discretion or at the request of any director, invite those members of management and/or any outside advisors to attend Board meetings that the Chairman or any director believes can meaningfully contribute to the Board's discussion.
9. Interaction with Third Parties. The Board believes that management should speak for the Company and that the Chairman should speak for the Board.

10. Board Authority; Resources. The Board and each committee shall have the power to hire such outside legal, financial, accounting or other consultants or advisors as they may deem necessary, at the Company's expense, without consulting or obtaining the approval of any officer of the Company in advance. The Company shall provide such funding as is determined by the Board or any committee to be necessary or appropriate for payment of compensation to any consultant or advisor retained to advise the Board or such committee.
11. Confidentiality. The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board and its committees is to be held confidential and used solely in furtherance of the Company's business.
12. Code of Ethics. The Board has approved a Code of Ethics that applies to all of the Company's employees, officers and directors. The Code of Ethics addresses, among other matters, director and employee responsibility, reporting complaints, business relationships, franchisee relations, compliance with law, business conduct, conflicts of interest, use of Company assets, confidential and proprietary information and recording and reporting information. Management shall periodically review and reassess the adequacy of the Code of Ethics and recommend to the Board or the appropriate Board committee for its approval any changes deemed appropriate by management.
13. Risk Oversight. The Board provides oversight with respect to the Company's risk assessment and risk management activities, which are designed to identify, prioritize, assess, monitor and mitigate material risks to the Company, including financial, operational, compliance and strategic risks. The Board may from time to time delegate certain aspects of its risk oversight function to one or more of its committees or to members of management as it deems appropriate, each of which shall report directly to the Board.

II. Committee Issues

- A. Board Committees. The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating Committee. The Audit Committee, the Compensation Committee and the Nominating Committee shall consist solely of independent directors. Committee members shall at all times satisfy all legal and regulatory requirements applicable to the respective committees, including NASDAQ rules and listing standards relating to independence, financial literacy and the like. The Board may, from time to time, establish or maintain such additional committees as the Board deems necessary or appropriate.

- B. Rotation of Committee Assignments and Chairs. Committee assignments and the designation of committee chairs should be determined by the Board based on the directors' knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of committee assignments or chairs. The Board believes experience and continuity are more important than rotation. Committee members and chairs may be rotated in response to changes in membership of the Board and in all cases should be rotated only if rotation is likely to increase committee performance.
- C. Committee Charters. The Audit Committee, the Compensation Committee and the Nominating Committee shall each have written charters that satisfy the requirements under applicable NASDAQ rules and listing standards, which shall be made available on the Company's website, and shall have the responsibilities mandated under applicable NASDAQ rules and listing standards.
- D. Frequency of Committee Meetings. The chair of each committee, in consultation with the committee members, shall determine the frequency of the committee meetings consistent with any requirements set forth in the committee's charter.

III. Chief Executive Officer Evaluation and Succession

The Compensation Committee shall conduct an annual performance review of the Chief Executive Officer based on policies and principles adopted by such Committee.

The Nominating Committee shall review periodically with the Chief Executive Officer the succession plans relating to the Chief Executive Officer and, as appropriate, make recommendations to the Board with respect to succession in the event of an emergency or the retirement of the Chief Executive Officer.

IV. Review of Corporate Governance Guidelines

The Nominating Committee shall review and reassess the adequacy of these Corporate Governance Guidelines at least annually and recommend to the Board any changes deemed appropriate by such Committee.