

BOARD GOVERNANCE GUIDELINES

Board Composition

1. *Separation of the positions of Chairman and CEO*

The Board believes that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons as an aid in the Board's oversight of Management.

2. *Size of the Board*

The Board should have seven to nine members. The Corporate Governance and Nominating Committee should periodically (no less than bi-annually) review the appropriate size of the Board depending upon the needs and skills required. The Board also has a Secretary to the Board who may participate in meetings but does not vote.

3. *Mix of Inside and Independent Directors*

The Board believes that there should be a supermajority (3/4th) of independent Directors on the Board. The Board also believes that it is be useful and appropriate to have the Chief Executive Officer as a Director, as well as other members of Management where appropriate.

4. *Board Definition of What Constitutes Independence for non-employee Directors*

The Corporation defines an "independent" director in accordance with the Nasdaq Stock Market requirements for independent directors (Nasdaq Listing Rules). Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for confirming that each independent Director has no other material relationship with the Corporation or its affiliates or any executive officer of the Corporation or his or her affiliates. A relationship will be considered "material" if in the judgment of the Board it would interfere with the Director's independent judgment.

5. *Board Membership Criteria*

The Corporate Governance and Nominating Committee is responsible for reviewing with the Board from time to time the appropriate skills (relevant to the Company's business) and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues of diversity in numerous factors such as understanding of and experience in manufacturing, technology, utilities, finance and marketing and international experience. These factors, and others as considered useful by the Board, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. The Corporate Governance and Nominating Committee may consider Board continuity as it routinely reviews nominees for Board membership.

Board members are expected to rigorously prepare for, attend, and participate in all

Board and applicable Committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as a Director. In particular, the Board is of the view that holding more than four public company board positions (or in the case of a Company executive officer, one public company board position, exclusive of the Corporation's Board) could materially interfere with a member's service as a Director. These other commitments will be considered by the Corporate Governance and Nominating Committee and the Board when reviewing Board candidates, whether for election or re-election, and in connection with the Board's annual self-assessment process.

6. *Selection of New Director Candidates*

The Board is responsible for nominating its own members. The Board delegates the screening process of all nominees and applicants to the Corporate Governance and Nominating Committee, with the expectations that other members of the Board, and of Management, will be requested to take part in the process as appropriate, and that all nominations for Director will be made by the full Board.

7. *Directors Who Change Their Job Responsibility*

The Board does not believe that directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. The Corporate Governance and Nominating Committee shall review the continued appropriateness of Board membership under these circumstances.

8. *Term Limits*

The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into the Corporation and its operations and therefore provide an increasing contribution to the Board as a whole.

9. *Retirement Policy*

The Board does not have a mandatory retirement policy. While a mandatory retirement policy could help insure that there are fresh ideas and viewpoints available to the Board, it has the potential disadvantage of arbitrarily losing the contributions of Directors who over time have developed increasing insight into the Corporation and its operations. The Board relies upon its robust evaluation process (including annual peer reviews for continuing Directors), which considers each Director's anticipated contributions to the Corporation before the Director is nominated for re-election. The Board believes that, once a Director reaches 75 years old, the Director's age should be considered as one factor in the evaluation of his or her overall anticipated contributions to the Board.

10. *Board Compensation and Equity Holding Guideline*

It is the general policy of the Board that Board compensation should be a mix of cash and equity-based compensation. Inside Directors will not be paid for Board membership in addition to their regular employee compensation. Independent Directors may not receive consulting, advisory or other compensatory fees from the Corporation in addition to their

Board compensation. The Board is also of the view that, as a general guideline, its members should strive to hold such equity compensation (shares and derivative securities) in an amount equal to three (3) times their annual cash retainer while serving on the Board – which amount can be accumulated over a period of up to 5 years.

11. *Business Relationships with Directors and Executive Officers*

Any monetary engagement (other than director or employee compensation or transactions which would not require disclosure under Item 404 of Regulation S K) (a) between a director (including any entity of which the director is a director or executive officer and any member of a director's Family as defined in the Nasdaq Rules) and the corporation or any of its affiliates or members of senior management or their Families and (b) between executive officers of the corporation (Section 16 officers designated by the Board) and the corporation or any of its affiliates, shall be subject to the approval of the Audit Committee or the independent directors. Each director and executive officer must notify the CEO in advance of entering into any such transaction.

Responsibilities of the Board of Directors

1. The primary responsibilities of the Board of Directors are oversight, counseling and direction to the management of the Corporation in the interest and for the benefit of the Corporation's stockholders. The Board's detailed responsibilities include:
 - a. Selecting, regularly evaluating the performance of, and approving the compensation of the Chief Executive Officer and other senior executives;
 - b. Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other senior executives;
 - c. Reviewing and, where appropriate, approving the Corporation's major financial objectives, strategic and operating plans and actions;
 - d. Overseeing the conduct of the Corporation's business to evaluate whether the business is being properly managed;
 - e. Overseeing the processes for maintaining the integrity of the Corporation with regards to its financial statements and other public disclosures, and compliance with law and ethics; and
 - f. Establishing and appointing members of appropriate Committees of the Board.

The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Corporation, the authority and responsibility for managing the business of the Corporation in a manner consistent with the standards and practices of the Corporation, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and Management are responsible to seek the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Corporation.

2. *Corporate Business Principles*

Members of the Board of Directors shall act at all times in accordance with the

requirements of the Corporation's Board Member Code of Ethical Conduct which shall be applicable to each Director in connection with his or her activities relating to the Corporation. This obligation shall at all times include, without limitation, adherence to the Corporation's policies with respect to conflicts of interest, confidentiality, protection of the Corporation's assets, ethical conduct in business dealings and respect for and compliance with applicable law.

Board Meetings

1. Scheduling and Selection of Agenda Items for Board Meetings

Board meetings are scheduled in advance typically every quarter, including an annual budgeting meeting and an annual strategy session. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Corporation. The Board may also take action from time to time by unanimous written consent.

The Chairman of the Board, in consultation with the Chief Executive Officer and with the assistance of Management, drafts the agenda for each meeting and distributes it in advance to the Board. Each Director may propose the inclusion of items on the agenda, request the presence of or a report by any member of the Corporation's management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The annual cycle of agenda items for Board meetings is expected to change on a periodic basis to reflect, e.g., Board requests, changing business and legal issues and the work done by the Board Committees. It is expected that the Board will have regularly-scheduled presentations from finance, sales and marketing, and the major business segments and operations of the Corporation. The Board's annual agenda will include the long-term strategic plan for the Corporation and the principal issues that the Corporation expects to face in the future.

2. Board Material Distributed in Advance

Information that is important to the Board's understanding of the business and its meeting agenda items should be distributed in writing (either in hard copy or electronically) to the Board before the Board meets. Supplemental written materials will be provided to the Board on a periodic basis and at any time upon request of Board members.

As a general rule, materials on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

3. Access to Employees and Board Presentations

The Board has complete access to contact and meet with any company employee.

The Board encourages Management to schedule managers to present at Board Meetings

who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, or (b) have future potential that Management believes should be given exposure to the Board.

4. *Independent Directors' Discussions*

The Board's policy is to have a separate meeting time for the independent directors regularly scheduled at least once each quarter during the regularly scheduled Board Meetings. The Chair of the Nominating & Corporate Governance Committee or the Board Chairman (if independent) will assume the responsibility of chairing the meetings of independent directors and shall bear such further responsibilities that the independent directors as a whole might designate from time to time. The Chair of the Nominating & Corporate Governance Committee may invite other directors to any of such meetings.

5. *Director Orientation and Continuing Education*

The Chief Executive Officer in conjunction with Management is responsible for new-Director orientation programs and for Director continuing education programs. The orientation programs are designed to familiarize new Directors with the Company's businesses, strategies and challenges and to assist new Directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. Continuing education programs for Board members may include a mix of in-house and third-party presentations and programs.

Board Committees

1. *Number of Committees*

The current three standing Committees are Audit, Compensation and Corporate Governance and Nominating. There may, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. The Audit, Compensation and Corporate Governance and Nominating Committees shall be composed entirely of Independent Directors.

Each Committee will have a written charter, approved by the Board, which describes the Committee's general authority and responsibilities and which will be posted on the Corporation's web site. Each Committee will undertake an annual review of its charter, and will work with the Corporate Governance Committee and the Board to make such revisions as are considered appropriate.

Each Committee has the authority to engage outside experts, advisers and counsel to the extent it considers appropriate to assist the Committee in its work.

Each Committee will regularly report to the Board concerning the Committee's activities.

The Audit Committee is responsible for the hiring, oversight and compensation of the independent certified public accountants that audit the Corporation's financial statements, and for monitoring the effectiveness of the Corporation's internal financial and accounting organization and controls and financial reporting.

The Compensation Committee reviews and determines salaries and other matters relating to compensation of the executive officers of the Corporation, and administers the Corporation's stock option plans and long term incentive plan, including the review and granting or recommending to the Board the grant of stock option under the Corporation's stock option plan and long term incentive plan.

The Corporate Governance and Nominating Committee reviews and reports to the Board on matters of corporate governance (that is, the relationships of the Board, the Stockholders and Management in determining the direction and performance of the Corporation) and reviews and addresses these Guidelines and recommends revisions as appropriate. The Corporate Governance and Nominating Committee reviews all proposals submitted by stockholders for action at the Annual Stockholders' Meeting, and recommends action by the Board with regards to each such proposal. The Corporate Governance and Nominating Committee also makes recommendations to the Board regarding the size and composition of the Board, establishes procedures for the nomination process, recommends candidates for election to the Board and may nominate corporate officers to be elected by the Board.

The charters for each of the Committees are attached as appendices to this document.

2. *Assignment and Term of Service of Committee Members*

The Board is responsible for the appointment of Committee Members and Committee Chairpersons. Committee assignments are reviewed annually and it is expected that Committee assignments will rotate from time to time among the Board members. It is also expected that each Committee Chairperson will have had previous service on the applicable Committee.

3. *Frequency and Length of Committee Meetings and Committee Agenda*

The Committee Chairperson, in consultation with the Chairman of the Board and appropriate members of Management, will determine the frequency and length of the Committee meetings and develop the Committee's agenda. Committees will report to the Board about actions taken.

Management and Board Review and Responsibility

1. *Formal Evaluation of Chief Executive Officer*

A committee of independent Directors, in conjunction with the Corporation's review process for employees, will perform a formal annual evaluation of the Chief Executive Officer.

2. *Succession Planning and Management Development*

The Chief Executive Officer reviews succession planning and management development with the Board on an annual basis.

3. *Formal Evaluation of the Board*

The Corporate Governance and Nominating Committee manages the Board's process for annual Director self-assessment and evaluation of the Board.

4. *Board Interaction with Outside Interested Parties*

Shareholders who wish to communicate with one or more directors may do so by addressing written comments c/o the Corporation's Secretary at 1625 Sharp Point Drive, Ft. Collins, CO 80525. The Corporation's Secretary will receive the correspondence and forward it to the director or directors to whom it is addressed. The Secretary is authorized to forward communications that are clearly more appropriately addressed by other departments, such as customer services, human resources or accounting, to the appropriate department. Communications that are forwarded to other departments will be made available to any director who wishes to review them.

The Board believes that Management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation, but it is expected that Board members would do this with the knowledge of Management and, in most instances, at the request of Management.