TOMOTHERAPY INCORPORATED
CORPORATE GOVERNANCE GUIDELINES

1. Role of the Board of Directors

The Board's primary responsibility is to oversee the strategic direction and conduct of the Company's business to enhance the long-term value of the Company. In fulfilling its responsibilities, the Board performs the following principal functions: (i) selecting and evaluating the Company's CEO; (ii) setting compensation for the CEO and other executive officers; (iii) approving corporate strategy, annual operating budgets, and significant transactions and financings; (iv) providing general oversight of the Company's business; (v) provide general oversight of significant risks to the Company's strategy and business operations; (vi) review and approval of annual budget and corporate goals and objectives; (vii) evaluating and establishing Board processes, performance and compensation; (viii) nominating directors; (ix) establishing and monitoring compliance with the Company's Comprehensive Compliance Program; (x) establishing and monitor the Company's insider trading policy; (xi) establishing and monitoring such committees of the Board that are necessary for it to carry out its duties; (xii) organization of new corporate entities; and (xiii) overseeing the financial accounting and reporting processes and practices of the Company, including appointment and oversight of the Company's auditors. These guidelines are intended to be a baseline for principled actions, effective decision-making and appropriate monitoring of both performance and compliance.

2. Director Selection and Qualification

The Board believes that there should be at least a majority of independent directors on the Board who meet the criteria for independence established by the NASDAQ Stock Market. The Nominating and Governance Committee shall solicit and receive recommendations and review the qualifications of potential director candidates in accordance with the Guidelines for Selecting Board Candidates attached to its charter. The Board should monitor the combination of skills and experience of its directors in order to assure that the Board is properly constituted and has the necessary tools to perform its oversight function effectively.

3. Director Responsibilities

The Board shall meet as frequently as needed for directors to properly discharge their responsibilities. Such meetings shall include periodic executive sessions at which management, including the CEO, is not present. Every effort should be made to schedule meetings sufficiently in advance to ensure maximum attendance at each meeting. All directors are expected to participate, whether telephonically or in person, in all Board meetings, review relevant materials, serve on Board committees, and prepare appropriately for meetings and for discussions with management. Accordingly, each director is expected to devote the time and attention necessary to properly discharge his or her responsibilities as director. Each director is also expected to attend the Company's annual meeting of shareholders.

4. Director Orientation and Education

Management should provide newly elected directors with Company materials, a tour of the local facilities, meetings with senior management, and other resources to educate them on the Company's business and the industry. Directors are encouraged to attend radiation therapy industry trade shows and seminars pertaining to service on the Board or the Company's industry, as identified and communicated to each director on an individual basis by the Nominating and Governance Committee chairperson or senior management. Directors are also encouraged to attend periodic educational seminars pertaining to the director role.

5. Other Directorships

Serving on a public company's Board requires a significant time commitment. Therefore, the Board believes a director should not serve on the boards of more than four additional companies, excluding philanthropic institutions. A director who is also the CEO should serve on the board of no more than two additional companies, excluding philanthropic institutions. Also, members of the Audit Committee should not serve on more than two additional public company Audit Committees.

6. Board Evaluation

The Board will conduct a self-evaluation at least annually, to determine if it and its committees are functioning effectively. The Nominating and Governance Committee is responsible for overseeing and reporting to the Board, on an annual basis, a summary of the Board's performance. The full Board will discuss the results and suggest specific courses of action to improve Board effectiveness as a whole.

In conjunction with the annual board self-assessment, each director will review the other directors' performance. The Chairperson of the Board will meet with each director individually to discuss his or her performance evaluation. The Chairperson of the Board will meet with the Nominating and Governance Committee chairperson to discuss his or her performance evaluation. The Nominating and Governance Committee will consider the individual performance evaluation results prior to proposing each director for reelection.

7. CEO Performance Evaluation and Succession Planning

The Compensation Committee chairperson shall solicit from all directors a review of the CEO's performance on an annual basis. The evaluation of the CEO should be based on both qualitative and quantitative factors, including achievement of the established annual corporate goals and objectives, positioning of the Company for the future, development of management, stewardship of the enterprise and effective Board communication. The Compensation Committee will compare the CEO's compensation to market standards and recommend to the Board a compensation package for the CEO for the upcoming year.

The Board shall develop and periodically review plans and procedures for the selection of the CEO and his successors, including policies regarding succession in the event of an emergency or retirement of the CEO. The Board shall review annually with the CEO management succession planning and development.

8. Access to Independent Advisors

The Board and any of its principal committees shall have the authority at any time to retain independent outside auditors and legal, financial or other advisors, as may be deemed necessary or appropriate to discharge their duties, without obtaining the approval of management. The Company shall provide appropriate compensation, as determined by the Board or such committee, to such independent auditors or advisors.

9. Share Ownership of Directors

The Board believes that directors should have a financial stake in the Company. Within five years of joining the Board, a director is expected to own at least $100,000 of Company stock at current market value. All types of stock awards may be used to satisfy the ownership requirements. Upon the request of a director, the Nominating and Governance Committee will consider modifying the requirement in view of a director's personal financial circumstances.

10. Notice Upon Change in Primary Position

Directors who change their primary position should notify the CEO and chairperson of the Nominating and Governance Committee and offer to resign from the Company's Board. However, the Board does not deem a director's change in primary position to necessitate that director's resignation from the Board. The Nominating and Governance Committee will consider the effect of the position change on the director's future contribution to the Board and will make a recommendation to the full Board. The Board will decide whether a resignation from the director will be accepted.

11. Retirement from the Board and Term Limits

The Board believes it is not advisable to establish term limits for its members as such limits may deprive the Corporation and its shareholders of the contribution of directors who have been able to develop, over time, valuable insights into the Corporation, its operations and future. The Board will continue to evaluate this through the Board evaluation and nomination process.

The Board does not have a policy on mandatory retirement at this time. However, it is appropriate to consider the age distribution of the Board, the years passed since the most recently held operating position of a candidate, their familiarity with contemporary business issues, and the likelihood of having sufficient years available for service to make a significant contribution over time to the Company.

12. Review and Approval of Related Person Transactions

All material transactions with the Company in which a related person has a direct or indirect interest must be reviewed and approved in advance by the Board. Related persons include any officer, director, director-nominee or other affiliate, or an immediate family member. Any such transaction must be on terms that, on the whole, are no more favorable and no less favorable than those available from unaffiliated third parties. For purposes of this policy, "material" includes any transaction where the amount involved exceeds $120,000 in a given year.

13. Matters to be Drawn to the Attention of the Board

The following is an indicative list of matters that management shall bring to the attention to the Board: (i) any litigation of financial or other significance; (ii) key developments in the Company's operations or industry; and (iii) any other matter having a material impact on the future financial performance of the Company.

14. Expenditure Approvals

Financial expenditures outside of the annual budget and in excess of the thresholds set below shall require Board approval.

	USD $m
Capital projects, including fixed assets, land, and buildings	1
Investments	5
Acquisition of disposal of assets or stock of an operating business	3
Contracts in the ordinary course of business	5
Settlement of material litigation	0.5
Guarantees / performance bonds	0.5