

**ATOSSA GENETICS INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors of Atossa Genetics Inc. (the “Company”) has adopted the corporate governance guidelines set forth below as a framework for the governance of the Company. The Nominating and Corporate Governance Committee reviews the principles periodically and recommends changes to the Board of Directors as appropriate.

**1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS**

***Role of the Board***

The Board of Directors, which is elected by the Company’s stockholders, oversees the management of the Company and its business. The Board selects the senior management team, which is responsible for operating the Company’s business, and monitors the performance of senior management. Consistent with the oversight function of the Board, the Board’s core responsibilities include:

- Assessing the performance of the Chief Executive Officer (the “CEO”) and other senior management and setting their compensation;
- Planning for CEO and senior management succession and overseeing senior management development;
- Reviewing the Company’s strategies and monitoring their implementation and results;
- Overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- Overseeing the Company’s processes for assessing and managing risk;
- Overseeing legal and regulatory compliance;
- Nominating the Company’s director candidates and appointing committee members;
- Shaping effective corporate governance; and
- Providing advice and counsel to management regarding significant issues facing the Company and reviewing and approving significant corporate actions.

***Size, Composition and Membership Criteria***

The Board currently has six directors, divided into three classes as nearly equal in number as reasonably possible, with directors in each class serving three-year terms. The Board determines the appropriate size of the Board by resolution duly adopted from time to time, as specified in the Company’s Certificate of Incorporation and Bylaws. A substantial majority of the Board is made up of independent directors. An “independent” director is a director who meets the NASDAQ Stock Market LLC definition of independence, as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually.

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. In addition,

the Nominating and Corporate Governance Committee is responsible for establishing and overseeing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Board's criteria include personal and professional ethics, integrity and values, business acumen, interest in the Company and commitment to representing the long-term interests of the stockholders. The Nominating and Governance Committee also seeks to have a Board that encompasses a range of talents, ages, skills, diversity, and expertise sufficient to provide sound and prudent oversight with respect to the operations and interests of the business. The Committee evaluates the composition of the Board annually to assess the skills and experience that are currently represented on the Board as a whole, and in individual directors, as well as the skills and experience that the Board may find valuable in the future. The Committee seeks to achieve a diversity of occupational and personal backgrounds on the Board.

The Nominating and Corporate Governance Committee reviews the qualifications of director candidates and incumbent directors in light of criteria approved by the Board and recommends the Company's candidates to the Board for election by the Company's stockholders at the annual meeting. The Committee also considers director candidates recommended by Company stockholders in accordance with the procedures set forth in the proxy statement.

### ***Board Leadership***

The Board periodically reviews its leadership structure to evaluate whether the structure remains appropriate for the Company. Given the substantial number of independent directors serving on the Board, including the fact that all Board committees are comprised solely of independent directors, the Board believes that presently it is in the best interests of the Company for a single person to serve as both the Chairman of the Board and CEO. Combining this role fosters clear accountability, effective decision-making, and aligns corporate strategy with the Company's day-to-day operations.

### ***Change in Principal Occupation***

The Compensation Committee reviews and assesses any director who retires, substantially changes principal occupation or business association during the director's tenure on the Board, joins any new board of directors of a public or privacy company or joins a governmental commission. In each case, the Committee determines whether the director's change in circumstances represents a conflict of interest or otherwise inhibits his or her ability to serve the best interests of the Company and its stockholders.

### ***Director Elections***

The Board is divided into three classes as nearly equal in number as reasonably possible, with directors in each class serving staggered, three-year terms so that the term of one class expires at each annual meeting of stockholders. Thus, directors typically stand for election by the Company's stockholders every three years.

## **2. FUNCTIONING OF THE BOARD**

### ***Agendas***

The Chairman of the Board establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

#### ***Distribution and Review of Board Materials***

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

#### ***Meetings***

The Board holds regularly scheduled meetings throughout the year and holds additional meetings as necessary to carry out its responsibilities. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve.

#### ***Executive Sessions***

The independent directors meet regularly in executive session without management present.

#### ***Strategic Planning***

The Board reviews the Company's long-term strategic plan periodically and monitors implementation of the strategic plan throughout the year.

#### ***Attendance at Annual Meeting of Stockholders***

Although the Company has no formal policy on director attendance at annual meetings of stockholders, directors are encouraged to attend the annual meeting of stockholders absent unusual circumstances.

### **3. STRUCTURE AND FUNCTIONING OF COMMITTEES**

#### ***Number, Structure and Independence of Committees***

The Board has three standing committees: Audit, Nominating and Corporate Governance and Compensation.

The Audit, Nominating and Corporate Governance and Compensation Committees consist solely of independent directors. In addition, directors who serve on the Audit Committee and the Compensation Committee must meet additional, heightened independence criteria applicable to directors serving on these committees under NASDAQ Stock Market LLC listing standards.

The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

#### ***Assignment of Committee Members***

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Nominating and Corporate Governance Committee and appointed by the full Board.

### ***Responsibilities***

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

### ***Meetings and Agendas***

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

## **4. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISERS**

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisers as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating and Corporate Governance and Compensation Committees has similar authority to retain outside advisers as it determines appropriate to assist it in the performance of its functions.

## **5. DIRECTOR COMPENSATION**

The Compensation Committee reviews the compensation of non-employee directors, giving due consideration to customary compensation at comparable companies and other factors the Committee deems consistent with the Company's its committee charter and these corporate governance guidelines. Director compensation is set by the Board based upon the recommendation of the Committee. Management directors do not receive compensation for service on the Board.

## **6. SUCCESSION PLANNING**

The Compensation Committee is responsible for oversight of succession planning for certain senior management positions, including the position of CEO. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations where the CEO or another member of senior management unexpectedly becomes unable to perform the duties of his or her position.

## **7. FORMAL EVALUATION OF EXECUTIVE OFFICERS**

The Compensation Committee is responsible for setting annual and long-term performance goals for executive officers, evaluating the performance of executive officers against those goals, and reviewing and approving, or recommending for approval by the independent directors (as directed by the Board) executive officer compensation. The Compensation Committee shall annually review the CEO's compensation based on its review of the CEO's performance, and will deliberate and vote on the CEO's compensation outside of the presence of the CEO.

#### **8. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Nominating and Corporate Governance Committee is responsible for determining whether a plan for orientation and continuing education of directors is necessary.

#### **9. BOARD AND COMMITTEE PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating and Corporate Governance and Compensation Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the re-nomination process. In addition, the Nominating and Corporate Governance Committee is responsible for conducting an annual evaluation of the performance of each director, as well as the size, composition and performance of the Board as a whole. The Nominating and Corporate Governance Committee is responsible for developing, administering and overseeing processes and criteria for conducting these evaluations.