

TACTILE SYSTEMS TECHNOLOGY, INC.
CORPORATE GOVERNANCE GUIDELINES

Effective: March 25, 2019

BOARD SELECTION AND LEADERSHIP

1) Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for reviewing, selecting and recommending Board members based on appropriate skills and characteristics, including breadth and depth of relevant business and board skills and experiences, judgment and integrity, reputation, diversity (including geographic, occupational, gender, race and age), education, leadership ability, independence, the ability to devote sufficient time to the Board and knowledge of the Company's industry, all in the context of reviewing the characteristics and contributions of incumbent directors and assessing potential needs that can be met through new directors.

2) Selection of New Directors

The Nominating and Corporate Governance Committee is responsible, when the need arises, for seeking individuals qualified to become Board members for recommendation to the Board. The entire Board shall nominate members for election to the Board and for filling vacancies on the Board. The Nominating and Corporate Governance Committee will consider candidates recommended by stockholders. A stockholder who wishes to recommend a director candidate for consideration by the Nominating and Corporate Governance Committee should send such recommendation to the Secretary of the Company at the mailing address of the Company, who will forward it to the Committee. Any such recommendation should include a description of the candidate's qualifications for board service; the candidate's written consent to be considered for nomination and to serve if nominated and elected, and addresses and telephone numbers for contacting the stockholder and the candidate for more information. A stockholder who wishes to nominate an individual as a director candidate at the annual meeting of stockholders, rather than recommend the individual to the Nominating and Corporate Governance Committee as a nominee, must comply with the advance notice requirements set forth in the Company's By-Laws.

3) Leadership Structure

The Board shall determine the leadership structure of the Board from time to time. The Board shall choose its Chair based upon the Board's view of what is in the best interests of the Company at any given point in time, based on the recommendation of the Nominating and Corporate Governance Committee. Therefore, the Board does not have a policy on whether or not the role of the Chair and Chief Executive Officer should be separate or combined and, if it is to be separate, whether the Chair should be selected from the non-employee directors or be an employee.

In order to facilitate communication between management and the non-employee directors, in the event that the Chair of the Board is not an independent director, the Board should elect a "Lead Director," who will have the responsibility to schedule and prepare agendas for meetings of the non-employee directors. The Lead Director will communicate with the Chief Executive Officer, disseminate information to the rest of the Board in a timely manner and raise issues with management on behalf of the non-employee directors when appropriate. All members of the Board are encouraged to communicate with the Chief Executive Officer.

BOARD COMPOSITION AND PERFORMANCE

4) Size of the Board

The Board and the Nominating and Corporate Governance Committee will periodically review the size of the Board and determine whether the size is appropriate for the Company.

5) Mix of Management and Independent Directors

As required by the rules of the Nasdaq Stock Market, independent directors will constitute a majority of the Board.

6) Independence Definition

The Board of Directors shall affirmatively determine the independence of each non-employee director and consider all factors relevant in determining whether he or she has a relationship to the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In determining which members of the Board of Directors are “independent,” the Board shall use the definition contained in the corporate governance requirements of the Nasdaq Stock Market as in effect from time to time. In addition, a director will not qualify to serve on either the Company’s Audit Committee or Compensation Committee if the director is not independent in accordance with applicable Nasdaq Stock Market requirements and rules of the Securities and Exchange Commission.

Each director should promptly report to the Board any change that could result in a related person transaction or otherwise affect the director’s independence.

7) Directors Who Change Their Present Job Responsibility

When a director’s principal occupation or business association changes, the director shall tender a letter of resignation to the Board. The Nominating and Corporate Governance Committee will review whether the new occupation, or retirement, of the director is consistent with the current needs of the Board. The Committee will recommend to the full Board as to whether or not the tender of resignation should be accepted based on the circumstances of retirement, if that is the case, or in the case of a new position, the responsibility and type of position, and industry involved.

A non-employee director may not serve on more than five public company boards, including the Company’s Board, and a non-employee director who is also the chief executive officer of another public company may not serve on more than three public company boards, including the Company’s Board without the prior approval of the Board. Employee directors may not serve on more than three public company boards, including the Company’s Board. In addition, no member of the Audit Committee may serve on audit committee of more than three public companies without the prior approval of the Board.

8) Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. The Nominating and Corporate Governance Committee will review the contributions of each incumbent director and the continued appropriateness of Board membership when making its nomination recommendations to the Board.

9) Board Compensation

The Compensation Committee will recommend to the Board compensation programs for non-employee directors, including cash and equity elements. The Board will determine the form and amount of compensation for non-employee directors.

10) Director Orientation and Continuing Education

The Nominating and Corporate Governance Committee shall oversee an orientation process to familiarize new directors with the Company, including its business and strategic plans, financial statements and key policies and practices. Directors are encouraged to participate in continuing education programs focused on the responsibilities of members of a public company board of directors.

11) Assessing Board and Committee Performance

The Board shall conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall receive comments from all directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year. The Nominating and Corporate Governance Committee shall lead the evaluation of Board members by examining such factors as experience, business judgment, integrity, time and commitment, shareholdings, teamwork and independence.

12) Board's Interaction with Institutional Investors, Press and Others

The Board believes that, except in extraordinary circumstances, management should speak for the Company. Individual Board members may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Company.

13) Communications to the Board

Stockholders or other interested parties who wish to communicate with the Board may do so by writing to the Board or a particular director in care of the Secretary of the Company at the mailing address of the Company. All communications will initially be received and processed by the Secretary of the Company, who will then refer the communication to the appropriate Board member (either the director named in the communication, the Chair of the Board committee having authority over the matter raised in the communication, or the Chair of the Board in all other cases).

BOARD RELATIONSHIP TO SENIOR MANAGEMENT

14) Attendance of Non-Directors at Board Meetings

The Board encourages the management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

15) Board Access to Senior Management

Directors shall have full and free access to the Company's management and employees. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by that director.

MEETING PROCEDURES

16) Selection of Agenda Items for Board Meetings

The agenda for each Board meeting will be established by the Chief Executive Officer and the Chair in consultation with the committee Chairs as applicable. Each director is encouraged to make suggestions for agenda items or additional presenting materials to the Chair, Chief Executive Officer or appropriate committee Chair at any time.

17) Board Materials Distributed in Advance

Information and data that is important to the Board's understanding of the agenda items will be distributed to the Board sufficiently in advance of Board meetings to encourage adequate preparation.

18) Attendance and Preparation

Directors are expected to devote sufficient time and attention to prepare for, attend, and participate in Board meetings and meetings of Board committees on which they serve. Directors are expected to attend the annual meetings of the stockholders of the Company.

19) Executive Sessions of Independent Directors

The independent directors of the Board will meet as part of each regularly scheduled Board meeting. Executive sessions will be chaired by the independent Chair of the Board or, if the Chair is not independent, by the Lead Director.

COMMITTEE MATTERS

20) Number, Structure and Independence of Committees

The Board maintains three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. From time to time, the Board shall review the committee structure and determine whether it is appropriate to form a new committee or disband a current committee depending upon the circumstances. In addition, the Board will review the division of responsibilities among the Board and each of the committees and determine whether changes need to be made in the division of responsibilities.

Each standing committee will have its own charter that will, to the extent possible, be made available on the Company's website. The charters will set forth the purposes and responsibilities of the committees as well as certain specific qualifications for committee membership and procedures for committee member appointment; in addition, the charters will address committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

21) Assignment and Rotation of Committee Members

The Nominating and Corporate Governance Committee is responsible, after consultation with the Chair of the Board and with consideration of the desires of individual Board members, for the assignment of Board members to, and selection of the Chairs of, the committees, subject to approval by the Board.

It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that such a rotation should be mandated as a policy since there may be reasons at a given point in time to maintain an individual director's committee membership for a longer period.

22) Frequency and Length of Committee Meetings

Each committee Chair, in consultation with committee members, will determine the frequency and length of the meetings of the respective committee.

23) Committee Agenda

Each committee Chair, in consultation with the appropriate members of the committee and management, will develop the respective committee's agenda. Each committee will issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year (to the degree these can be foreseen). This forward agenda will also be shared with the Board.

LEADERSHIP DEVELOPMENT

24) Formal Evaluation of the Chief Executive Officer

An evaluation of the Chief Executive Officer's performance will be conducted as set forth in the charter of the Compensation & Organization Committee.

25) Succession Planning

The Board will review and maintain succession plans for the Chief Executive Officer and other, critical senior management positions based on input from the Chief Executive Officer.

26) Management Development

There should be an annual report to the Board by the Chief Executive Officer on the Company's program for management development.

GENERAL

27) Basic Responsibilities

The basic responsibility of the directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Company. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of their fellow directors and the Company's senior executives and outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's certificate of incorporation, by-laws and any indemnification agreements.

28) Access to Advisors

The Board and each committee have the power to hire at the expense of the Company independent legal, financial or other advisors as they may deem necessary or appropriate, without consulting or obtaining the approval of any officer of the Company in advance.

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