

# **VOLCANO CORPORATION**

## **CORPORATE GOVERNANCE COMMITTEE CHARTER**

### **I. PURPOSE**

The Corporate Governance Committee (the “Committee”) shall (a) identify individuals qualified to become members of the Board of Directors (the “Board”) of Volcano Corporation (the “Company”), (b) review the qualifications of candidates and select the director nominees for each annual meeting of stockholders, (c) develop and recommend to the Board a set of corporate governance guidelines, (d) plan for and assist in the transitioning of directors on and off the Board, (e) provide a review function for members of the Board, (f) help prepare for management succession, and (g) lead the Board in complying with its corporate governance guidelines.

The Committee is committed to ensuring that (i) the nominees for membership on the Board are of the highest possible caliber and are able to provide insightful, intelligent and effective guidance to the management of the Company and (ii) the governance of the Company is in full compliance with law, reflects generally accepted principles of good corporate governance, encourages flexible and dynamic management without undue burdens and effectively manages the risks of the business and operations of the Company.

### **II. ORGANIZATION**

The membership of the Committee shall consist of at least three (3) directors. Each Committee member shall be independent and shall be appointed annually by the Board. Independence for membership purposes shall be established in accordance with the rules and regulations of the Securities and Exchange Commission and the NASD.

Each Committee member shall serve at the pleasure of the Board. A director may be removed from the Committee by the Board. A director may resign as a member of the Committee upon notice to the Secretary of the Company and the Chairperson of the Board. The Board shall appoint a Chairperson of the Committee at its first meeting following each annual meeting of the stockholders of the Company and as otherwise appropriate. The Committee member so designated shall chair all meetings of the Committee and perform such other activities as from time to time are requested by the other directors of the Company or as circumstances require.

### **III. DUTIES AND RESPONSIBILITIES**

The Committee shall have the full power and authority to:

1. Identify the requisite skills and characteristics to be found in individuals qualified to serve as members of the Board and utilize such criteria in the Committee’s selection of new director candidates. The Committee shall include in the criteria, the desire for the Board to consist of individuals from varied educational and professional experiences and backgrounds who, collectively, provide meaningful counsel to management. In making its selection of nominees, the Committee will consider, among others, submissions from stockholders, if any, properly

submitted in accordance with the Company's Bylaws and the Company's policy for accepting such submissions from stockholders, which shall be developed and periodically reviewed by the Committee. All candidates for director shall be evaluated with regard to the same criteria irrespective of the source of such nominee. The Committee will conduct appropriate and necessary inquiries into the background and qualifications of possible candidates, shall consider the Company's policy regarding the criteria for nomination to the Board, and shall actively recruit qualified individuals to ensure the Company's compliance with all legal and regulatory requirements applicable to the corporate governance of the Company;

2. Conduct meetings with potential candidates being considered to serve as members of the Board and inform such candidates of the obligations and responsibilities of serving on the Board and each committee of the Board, and confirm the willingness of such candidates to accept such obligations and responsibilities;
3. Oversee the evaluation of the Board and management. In this regard, the Committee may, without limitation:
  - (i) Evaluate and report to the Board on the effectiveness of the Board (as a whole) and each committee of the Board (as a whole) (including, without limitation, the effectiveness of the Compensation Committee in its process of establishing goals and objectives for, and evaluating the performance of, the Chief Executive Officer and the other officers of the Company). In this process, the Committee shall receive comments from all directors and shall review each committee's review of its own performance;
  - (ii) Review the performance, qualification or other related issues concerning individual Board members;
  - (iii) Review with the Chief Executive Officer the succession plans relating to officers of the Company;
  - (iv) Review with the Board the succession plans relating to the directors of the Company;
  - (v) Review the functions of the officers of the Company;
  - (vi) Review the outside activities of the officers of the Company as they pertain or relate to the officer's service on behalf of the Company; and
  - (vii) Evaluate periodically the Company's employment practices, including equal employment opportunity in hiring and advancement.
4. Select, or recommend for the Board's selection, director nominees for the Board;
5. Select, or recommend for the Board's selection, directors for each committee of the Board;

6. Oversee the corporate governance of the Company, including advising the Board and its committees on effective management and leadership. In this regard, the Committee may, to the extent necessary or appropriate:
  - (i) Develop and recommend to the Board a set of corporate governance guidelines;
  - (ii) Review, analyze and recommend matters for consideration by the Board;
  - (iii) Review and recommend to the Board appropriate changes to the certificate of incorporation, by-laws, corporate governance guidelines, this Charter and the charters of the other committees of the Board and the code(s) of business conduct and ethics. Such review may consider, without limitation:
    - (a) The structure, duties, size, membership and functions of the Board and its committees (including the chairpersons appropriate for each such committee) based on current trends, emergent needs, seniority, experience and other relevant considerations;
    - (b) The format and frequency of meetings of the Board and its committees; and
    - (c) The purpose of the various committees of the Board and whether or not any changes to such purposes are necessary or desirable and/or whether or not any new committees should be created or existing committees discontinued;
  - (iv) Keep informed as to current requirements and trends in corporate governance to ensure that the Company is fully compliant with law and engaging in corporate governance “best practices”;
7. Evaluate the performance of the Committee and the adequacy of this charter from time-to-time as needed but no less than on an annual basis; and
8. Perform such other responsibilities as may be delegated to it by the Board.

The Committee shall perform each of its goals and responsibilities as often as the Committee shall determine it necessary or appropriate.

#### IV. RESOURCES AND AUTHORITY

The Committee shall have the full power and authority to:

1. Retain, terminate and compensate any search firm to be used to identify director candidates, including the authority to approve the search firm’s fees and other retention terms. Any such consultant shall report directly to the Committee;

2. Obtain advice and assistance from internal or external legal, accounting, human resource or other advisors, to the extent it deems it necessary or appropriate to fulfill its responsibilities and duties hereunder, and to have direct access to such advisors without the presence of any officer or other employee of the Company;
3. Interview and meet with any employee of the Company without the presence of any officer of the Company;
4. Form and delegate authority to subcommittees, to the extent appropriate under the independence rules or other applicable rules and regulations; and
5. Take such other actions as may be necessary or appropriate to fulfill its purposes, duties and responsibilities.

#### V. MEETINGS AND REPORTS

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. A majority of the members of the Committee shall constitute a quorum for a meeting of the Committee. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The agenda of each Committee meeting shall be established by the Chairperson of the Committee with the assistance of appropriate members of management. Each Committee member is free to suggest the inclusion of items on the agenda. Each Committee member is free to raise at any Committee meeting subjects that are not on the agenda for that meeting. The agenda, whenever reasonably practicable, shall be circulated to each Committee member prior to the meeting date.

The Committee shall maintain minutes of each meeting. The Committee shall report the matters discussed at each meeting to the Board from time to time, or whenever so requested by the Board. The Committee may meet by telephone or video conference and may take action by written consent.