

**inTEST CORPORATION**

**GUIDELINES ON SIGNIFICANT CORPORATE GOVERNANCE ISSUES**

The Board of Directors (the “Board”) of inTEST Corporation (the “Company” or “inTEST”) has approved the following guidelines pertaining to the conduct of the Board, and its relationship with the stockholders and management, in determining the direction and performance of the Company:

**A. BOARD COMPOSITION**

**1. Board Leadership**

The Board believes that it is in the best interests of the Company for the Board to make a determination regarding whether or not to separate the roles of Chairman of the Board and President and Chief Executive Officer based upon the circumstances. Currently, the offices of Chairman and President and Chief Executive Officer are held by two individuals.

**2. Size of the Board**

The Bylaws of the Company provide that the Board of Directors shall consist of such number of Directors as may be determined from time to time by resolution of the Board of Directors, which number shall not be less than five (5). The number and composition of the Board is periodically reviewed by the Board to ensure that it is comprised of an appropriate number of Directors with appropriate skills and experience.

**3. Mix of Inside and Independent Directors**

In accordance with the listing standards of the NYSE American LLC, as applicable to smaller reporting companies, the Board must be comprised of at least 50% Independent Directors. The Board also believes that it is useful and appropriate to have members of management, including the President and Chief Executive Officer, as Directors.

**4. Board Definition of What Constitutes Independence for Directors**

inTEST defines “Independent Director” in accordance with Section 803A of the NYSE American LLC Company Guide. In addition to the objective standards of Section 803A, the Board must also make an affirmative determination that the Director does not have a relationship with the Company, its officers or its stockholders that, in the judgment of the Board, would interfere with the Director’s exercise of independent judgment in carrying out the responsibilities of a Director.

**5. Lead Independent Director**

The Board believes it is important for the effective operation of the Board that an Independent Director be designated as the Lead Independent Director. The Lead Independent Director is

responsible for coordinating the activities of the other Independent Directors, calling and chairing meetings of the Independent Directors from time to time, and performing various other duties. The general authority and responsibilities of the Lead Independent Director are set forth in a written charter adopted by the Board.

#### **6. Board Membership Criteria**

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Directors taking into account the then current make-up of the Board. The qualifications required of Directors may vary from time to time depending upon the perceived needs of the Board at that particular point in time. Each Director is expected to ensure that other commitments do not materially interfere with the Director's service as a Director. Such other commitments will be considered by the Nominating and Corporate Governance Committee and the Board when reviewing Board candidates.

#### **7. Selection of New Director Candidates**

The Board delegates to the Nominating and Corporate Governance Committee the screening process involved in the selection of nominees for election as a Director, with the expectation that other Directors and members of management, will be requested to take part in the process as appropriate. Stockholders may make recommendations with regard to nominees for election to the Board of Directors at future annual meetings of stockholders by following the procedures set forth in our most recent proxy statement or other publicly filed documents. All nominees for Director, including nominees recommended by a stockholder, shall be evaluated on the same basis.

#### **8. Directors Who Change Their Present Job Responsibility**

The Board does not believe that Directors who change the employment or position they held when they began serving on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership in light of such changed circumstances.

#### **9. 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, such limits present the disadvantage of losing the contribution of Directors who over time have developed increasing insight into the Company and its operations and therefore provide an increasing contribution to the Board as a whole.

#### **10. Board Compensation**

It is the general policy of the Board that non-employee Directors should be compensated with a mix of cash and equity-based compensation. Director compensation is reviewed periodically by the Compensation Committee. Management of the Company will report from time to time to the

Compensation Committee on the status of Board compensation in relation to other comparable U.S. companies. All recommendations of the Compensation Committee regarding changes in compensation of any Director or any group of Directors shall be approved by a majority of non-interested Directors and, if such recommendation applies to the compensation of all Directors, by a majority of the Independent Directors in addition to a majority of the Directors then in office.

## **B. RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

### **1. Primary Responsibilities**

The primary responsibilities of the Board of Directors are to manage the business and affairs of the Company, directly or through its Committees, by the exercise of oversight, and provision of counseling and direction to, the management of the Company in the interest, and for the benefit, of the Company's stockholders. The Board's detailed responsibilities include:

- (a) Planning for succession with respect to the position of President and Chief Executive Officer and monitoring management's succession planning for other executive officers;
- (b) Reviewing and, where appropriate, approving the Company's major financial objectives, strategic and operating plans and actions;
- (c) Overseeing the risk management of the Company;
- (d) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed; and
- (e) Overseeing the processes for maintaining the integrity of the Company with regards to its financial statements, other public disclosures and compliance with law and ethics.

The Board of Directors has delegated to the President and Chief Executive Officer, working with the other executive officers of the Company, the authority and responsibility for managing the business of the Company in a manner consistent with the standards and practices of the Company, and in accordance with any specific policies, plans, instructions or directions of the Board. The President and Chief Executive Officer and other executive officers 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 Company.

### **2. Code of Ethics**

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

Ethics with respect to any individual Director or any executive officer of the Company shall be reported to, and be subject to the approval of, the Board of Directors.

**3. Attendance at Annual Meeting of Stockholders**

All Directors are strongly encouraged, but not required, to attend the Company's annual meetings of stockholders.

**C. BOARD MEETINGS AND MATERIALS**

**1. Scheduling and Selection of Agenda Items for Board Meetings**

Board meetings are scheduled in advance at least every quarter. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time, as provided in the Company's Bylaws, to address specific needs of the Company. The Board may also take action from time to time by unanimous written consent. Typically, Board meetings are held at the Company's headquarters in Mt. Laurel, NJ, but occasionally a meeting is held at another inTEST facility or other location.

The Chairman of the Board and the Corporate Secretary, in consultation with other Directors, draft the agenda for each meeting and distribute it in advance to the Directors. Each Director may propose the inclusion of items on the agenda, request the presence of or a report by any member of management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

It is expected that the Board will have regularly scheduled presentations from the President and Chief Executive Officer, the Chief Financial Officer and the General Managers of the Company's several product segments regarding the business and operations of the Company and each product segment. In addition, periodically, as business conditions or strategies change, meetings of the Board will include presentation and discussion of management's strategic plan for the Company and the principal issues that management expects to face in the future.

**2. Board and Committee Material Distributed in Advance**

Directors are expected to prepare for, attend, and participate in all Board and applicable Committee meetings. Where practicable, information that is important to the Director's understanding of the business to be conducted at a Board or Committee meeting is distributed in writing to the Directors or Committee Members before the Board or Committee meeting. Supplemental written materials will be provided to the Directors on a periodic basis and at any time upon request of any Director.

**3. Access to Employees and Board Presentations**

Directors have complete authority to contact and meet with any inTEST employee during normal working hours. Directors are encouraged, when traveling, to make arrangements in advance to visit inTEST sites and meet with local management on a world-wide basis. The Secretary of the Company shall, whenever requested, assist in arranging and facilitating such meetings and site visits.

The Board encourages management to schedule officers 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**

At least twice a year, in conjunction with regularly scheduled Board meetings, the Independent Directors shall meet in executive session. The Independent Directors may request and convene such other separate meetings of the Independent Directors at such times and places as a majority of the Independent Directors may approve. The Lead Independent Director will assume the responsibility of chairing the meetings of Independent Directors, preparing minutes of such meetings, making recommendations to the Board of Directors on behalf of the Independent Directors and shall bear such further responsibilities that the Independent Directors as a whole may designate from time to time. The minutes of such meetings will be shared with the full Board not later than at the next meeting of the Board, and shall be filed by the Secretary of the Company with the minutes of the Company.

#### **5. Director Development**

The Board is committed to developing and maintaining the knowledge and skills of the Directors to meet the challenges of a changing business and legal environment. From time to time, the Board, upon recommendation of the Nominating and Corporate Governance Committee may arrange presentations and programs designed to assist Directors in developing and maintaining knowledge and skills necessary or appropriate for the performance of their responsibilities. The Chairman of the Board, the President and Chief Executive Officer and the Lead Independent Director coordinate and ensure that new Directors are introduced to, and familiarized with, the Company's businesses, strategies and challenges.

### **D. BOARD COMMITTEES**

#### **1. Number of Committees**

The current Committees of the Board of Directors are: Audit, Compensation and Nominating and Corporate Governance. As provided by the Company's Bylaws, the Board may form new committees or disband a current committee as it deems necessary or appropriate from time to time.

#### **2. Powers and Authority of Committees**

Each Committee will have a written charter, approved by the Board, which describes the Committee's general purpose, membership and responsibilities. Unless otherwise provided in the written charter of a committee, at least once every three years, each Committee will undertake a review of its charter and will make recommendations to the Board regarding appropriate revisions. Each Committee will maintain minutes, which will be submitted to the Company for filing with the minutes of Board of Directors of the Company, and regularly report to the Board concerning the Committee's activities.

All actions of any Committee may be amended or revoked by a majority of the Directors then in office, unless the power for such action is required by law, Bylaw, regulation, rule or resolution of the Board to be exercised solely by such Committee or by the independent directors.

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

The Board is responsible for the appointment of Committee Members and Committee Chairmen, and the Nominating and Corporate Governance Committee is responsible to review and assess, periodically, the Committee structure of the Board and the Committee functions and composition, including recommending Committee assignments for directors. Committee Members shall be elected by the Board of Directors at the first Board of Directors meeting following the annual stockholders' meeting and shall continue to serve as such Committee Members until the first Board of Directors meeting following the annual meeting next succeeding such election to the Committee or their earlier resignation or removal by the Board of Directors.

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

Meetings of Committees may be called by the Chairman of such Committee or at the request of one or more of the Members of the Committee or management and shall be held as frequently as necessary to accomplish the purposes of such Committee as stated in its charter. Directors are expected to attend all meetings of the Committees on which they serve, however, a quorum of any Committee shall consist of a majority of its Members then serving, unless otherwise specified in its charter. The Committee Chairman will determine the frequency, length and place of the Committee meetings and develop the Committee's agenda. The agendas and meeting minutes of the Committees will be shared with the full Board not later than at the next meeting of the Board. Directors who are not Members of a Committee are encouraged to attend such Committee's meetings. Minutes of each Committee meeting shall be filed by the Secretary of the Company with the minutes of the Company.

**E. MANAGEMENT AND BOARD REVIEW AND RESPONSIBILITY**

**1. Formal Evaluation of President and Chief Executive Officer**

The Compensation Committee of the Board shall perform a formal annual evaluation of the President and Chief Executive Officer in connection with the annual review of the President and Chief Executive Officer's compensation.

**2. Succession Planning and Management Development**

The President and Chief Executive Officer shall review succession planning and development of management with the Board on an annual basis.

**3. Evaluation of the Board**

At least once every three years, the Board and each Director shall undertake a self-assessment and evaluation prior to the work of the Nominating and Corporate Governance Committee to select candidates to stand for re-election to the Board.

**4. Review of these Guidelines**

At least once every three years, the Board of Directors shall review these “Guidelines on Significant Corporate Governance Issues”.

**F. COMMUNICATIONS WITH STOCKHOLDERS**

**1. Board Interaction with Outside Interested Parties**

The Board believes that management speaks for the Company. If a Director is contacted by a stockholder or other constituency interested in or involved with the Company, such Director shall advise the Chairman of the Board and management, and such Director will respond to such contact in a manner consistent with the Company’s public disclosure practices.

**2. Stockholder Communications with the Board of Directors**

Stockholders who wish to communicate with the Board or with a particular Director may do so by following the procedures outlined from time to time in our proxy statements or other publicly filed documents.