

MODULAR MEDICAL, INC.

CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of Modular Medical, Inc. (the “Company”) to assist the Board in the exercise of its responsibilities. These Guidelines are not intended to change or interpret any federal or state law or regulation, including the applicable laws of Nevada, or the Company’s Articles of Incorporation (as amended or restated) or Bylaws (as amended or restated). Recognizing that best practices for corporate boards of directors and practical considerations will change over time, the Board will monitor developments in these areas and will amend these guidelines as it deems appropriate.

- I. Board Purpose and Responsibilities.** The business and affairs of the Company are managed under the direction of the Board. The Board represents and acts on behalf of the stockholders of the Company. The primary responsibilities of the Board are oversight, counseling and direction to the management of the Company in the interest and for the benefit of the Company’s stockholders. The Board, directly and through its committees, performs a number of specific functions, including:
 - A.** Reviewing and, where appropriate, approving critical business and financial strategies of the Company.
 - B.** Reviewing and, where appropriate, approving major corporate actions.
 - C.** Assessing major risks facing the Company and options for their mitigation.
 - D.** Overseeing the processes for maintaining the integrity of the Company with regard to its financial statements and other public disclosures, and compliance with law and ethics.
 - E.** Selecting, regularly evaluating the performance of, and approving the compensation of the Company’s CEO and other members of the executive management team.
 - F.** Planning for succession with respect to the position of CEO and monitoring and advising on management’s succession planning for other members of the executive management team.
 - G.** Reviewing the recommendations of Company management for, and appointing, the Company’s principal officers.
- II. Board Size, Composition and Qualifications.**
 - A. Size.** The Board shall consist of three to nine persons. The Board will periodically review the size of the Board to determine if it is appropriate.
 - B. Composition.** A majority of the Board will qualify as independent directors. For purposes of these guidelines, “independence” will be determined in accordance with the listing requirements of the Nasdaq Stock Market, Inc. (the “Nasdaq”), as such requirements may be amended from time to time. The Board shall make an affirmative determination at least annually as to the independence of each director.

C. Selection of New Directors.

1. The Board will be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur. The Nominating and Governance Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership.
2. The Nominating and Governance Committee will consider candidates recommended by the Company's stockholders. In considering candidates submitted by stockholders, the Nominating and Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Nominating and Governance Committee may establish procedures, from time to time, regarding stockholder submission of candidates.

D. Board Diversity. The Nominating and Governance Committee and the Board will seek to achieve a mix of directors that represents a diversity of attributes, background, experiences (including experience with businesses and other organizations of a comparable complexity), perspectives and skills, including with respect to differences in customs, culture, international background, thought, generational views, race, gender, ethnicity and specialized professional experience. At least annually and when Board vacancies arise, the Nominating and Governance Committee and the Board will review the qualifications, judgment, attributes, background, experiences, perspectives and skills of each director and any director candidate and the interplay of such director's and director candidate's qualifications, judgment, attributes, background, experiences, perspectives and skills with the Board as a whole.

E. Qualifications for Non-Employee Board Members. A candidate for director must be a natural person at least 21 years of age. Characteristics expected of all directors include integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual Board members, the Board considers many factors, including capability, experience, skills, expertise, dedication, conflicts of interest, independence from the Company's management and the Company and such other relevant factors that may be appropriate in the context of the needs of the Board. Additional criteria apply to directors being considered to serve on particular committees of the Board.

The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's business and represent stockholder interests through the exercise of sound judgment, using its diversity of experience. Accordingly, the Nominating and Governance Committee believes that the Board, as a whole, should include members who collectively bring the following strengths and backgrounds to the Board:

- experience as a chief executive officer, president or a principal officer of another company;
- senior-level experience in the medical device or healthcare industries or with companies that have similar business models;
- experience with health information technology; and

- strengths in the functional areas of finance, corporate governance, financial statement analysis, business operations, strategic planning and mergers and acquisitions.

F. Employees as Board Members. The CEO will ordinarily be a member of the Board. Otherwise, to be considered for Board membership, employees of the Company must have senior management responsibility for broad areas of the Company's operating or functional groups.

G. Tenure and Retirement. All Board members are elected for one-year terms. The Board believes that neither an arbitrary term limit on Board members' service nor an arbitrary retirement age is appropriate; however, length of service and age will be factors considered in selecting candidates for nomination or re-nomination. Any employee of the Company who is also a director shall offer to resign from the Board effective as of the same date that he or she retires from, or otherwise ceases to be an employee of, the Company.

H. Conflicts of Interest. In addition to abiding by the Company's Code of Business Conduct and Ethics, as currently in effect, each Board member must recuse himself or herself from any decision affecting, or potentially affecting, his or her personal, business or professional interests, and should consider whether it would be appropriate to recuse himself or herself from any related discussion.

I. Change in Occupation of Independent Board Member. Any director who changes his or her principal employment, position, or professional role or affiliation following election or re-election to the Board shall notify the Nominating and Governance Committee. The Nominating and Governance Committee will evaluate the facts and circumstances and make a recommendation to the Board whether to request an offer of resignation or request that the director continue to serve on the Board.

III. Board Meetings.

A. Regular Meeting Calendar.

- 1. Dates and Times.** The Board will meet, either in person or by telephone or video conference or other electronic technology, at least four times per year, unless it determines that more or fewer meetings are required.
- 2. Topics.** The Board agenda will include regular in-depth reviews of the key issues affecting the Company overall, and various Company businesses and functions. Appropriate time will be allotted for Board member questions and input.

B. Distribution of Materials. Board members generally expect to receive information and materials in advance of the Board meetings where important to the Board's understanding or to facilitate discussion. It is expected that Board members will review all such materials in advance of the Board meetings and make such other advance preparations as may be appropriate to make Board meetings as productive and efficient as reasonably possible. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

- C. **Attendance of Directors.** Directors are expected to attend all meetings of the Board and committees on which they serve. A director who is unable to attend any Board or Board committee meeting (which it is understood will occur on occasion) is expected to notify the Chairperson of the Board (the “Chairperson”) or the chairperson of the appropriate committee in advance of such meeting.
- D. **Special Meetings.** The Chairperson, CEO, President or any two directors may call special meetings as necessary to address important or urgent Company issues. Special meetings may be held in person, or by conference telephone or other form of electronic technology.
- E. **Attendance of Management Personnel at Board Meetings.** The Board encourages, and may request, the CEO to bring members of management from time to time into Board meetings to: (i) provide management insight into items being discussed by the Board; and (ii) make presentations to the Board on matters of interest to the Board and/or management. Attendance of such management personnel at Board meetings is at the discretion of the Board.

IV. **Board Leadership.**

- A. **Chairperson.** The Board may appoint one of its members to serve as the Chairperson to serve at the pleasure of the Board. The Board believes that the roles of Chairperson and CEO may be combined or separate, depending on what the Board deems to be in the long-term interest of stockholders in light of prevailing circumstances. The Board shall periodically review its leadership structure to assess what best serves the interests of the Company and its stockholders at a given time. The Chairperson will perform such duties as may be delegated by the Board from time to time.
- B. **Executive Sessions of Independent Directors.** At each quarterly Board meeting, time is set aside for the independent directors to meet in executive session without Company management or other non-independent directors present. Additional executive sessions may be held as needed. These executive session discussions may include such topics as the independent directors determine. After each executive session, one or more of the independent directors shall provide such feedback to management as the independent directors deem relevant.
- C. **Communication with the Board.** Stockholders desiring to communicate with the Board or any individual director may directly contact such director or directors by sending a communication addressed to the Board or the individual director c/o Corporate Secretary, to the Company’s headquarters address. In the communication, the stockholder must identify him or herself as a stockholder of the Company. The Nominating and Governance Committee will adopt guidelines for directors in communicating with stockholders and other third parties, which the directors are expected to follow.

V. Board Committees.

- A. **Standing Committees.** The Board has established the following three standing committees of the Board to assist the Board in discharging its responsibilities: (i) Audit; (ii) Compensation and (iii) Nominating and Governance. The purposes, duties and responsibilities of each of these committees are set forth in their respective committee charters. The Board may add, eliminate, and change the charter or composition of any committee at any time, except to the extent that such a change would violate the Company's Articles of Incorporation (as amended or restated), Bylaws (as amended or restated), the Nasdaq listing standards or applicable law.
- B. **Committee Membership.** Each standing committee will be comprised of directors who are independent pursuant to the independence standards of Nasdaq's listing requirements applicable to such committees. In all events the membership of any committee shall meet any minimum standards established from time to time by Nasdaq or applicable law.
- C. **Assignment of Committee Members.** The Nominating and Governance Committee will annually review the composition of each committee and present committee membership recommendations to the Board as it determines to be appropriate. After considering the recommendations of the Nominating and Governance Committee, the Board will designate the members and the chairperson of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee.
- D. **Committee Agendas.** The chairperson of each committee will, after consultation with appropriate members of Company management, determine the agenda for each meeting. Other committee members may also suggest the inclusion of items on the agenda.

VI. Board Compensation.

- A. **Compensation Committee Responsibility.** The Compensation Committee of the Board will periodically review the compensation paid to non-employee Board members and make recommendations to the Board for any adjustments.
- B. **Compensation Philosophy.** In making its recommendations to the Board concerning the compensation of Board members, the Compensation Committee should consider the following goals:
 - 1. Board members should be fairly compensated for the work involved in overseeing the management of a company the size and scope of the Company.
 - 2. Board member compensation should be competitive with director compensation at other U.S. companies the size and scope of the Company.
 - 3. Board member compensation should align Board members' interests with the long-term interests of the Company's stockholders.

VII. Board Access to Information and Independent Advisors.

- A. **Information.** The Company's management will afford each Board member access to the Company's employees, independent registered public accounting firm, legal counsel and other professional advisors for any purpose reasonably related to the Board's responsibilities.

Executives and other management of the Company shall periodically make presentations to the Board and its committees on Company business and activity.

- B. Independent Advisors.** The Board and its committees shall have the right at any time to retain independent financial, legal, or other advisors for the purpose of assisting with their oversight duties, and the Company will provide appropriate funding for such purposes.

VIII. Board Orientation and Continuing Education.

- A. Orientation.** In consultation with the Nominating and Governance Committee, management shall provide materials and briefings to new directors, on an individualized basis, to permit them to become familiar with the Company's business, industry and corporate governance practices.
- B. Continuing Education.** From time to time, the Company, either directly or through its advisors or consultants, will provide Board members with presentations from Company and/or third party experts on topics that will assist Board members in carrying out their responsibilities. The Company encourages its Board members to participate in continuing education programs to assist them in performing their Board responsibilities.

- IX. Service on Other Boards.** Directors should advise the chairperson of the Nominating and Governance Committee before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses, non-profit entities or governmental units in order to allow the Company to conduct a review for potential conflicts and other issues. Directors are expected to refrain from accepting any such seat if the Board determines such position to be inadvisable and not in the Company's best interests.

Absent prior approval of the Board, no independent director may serve on the boards of more than four other public companies and no director who also serves as a CEO, or in an equivalent position, at a public company may serve on the boards of more than two other public companies.

- X. Board and Committee Self-Evaluations.** The Board will conduct an annual self-evaluation in order to determine whether the Board and its committees are functioning effectively. It is expected that each committee of the Board will annually review and evaluate its performance and report the results to the Board.