

VISTANCE NETWORKS, INC.
CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Vistance Networks, Inc. (the “**Corporation**”) has adopted these governance guidelines. The guidelines, in conjunction with the Corporation’s certificate of incorporation, bylaws, and the charters of the committees of the Board, form the framework of governance of the Corporation. The governance structure of the Corporation is designed to be a working structure for principled actions, effective decision-making and appropriate monitoring of both compliance and performance.

I. The Role of the Board of Directors

The Board oversees the Chief Executive Officer (the “**CEO**”) and other senior management in the competent and ethical operation of the Corporation on a day-to-day basis and assures that the long-term interests of the stockholders are being served. To satisfy its duties, directors are expected to take a proactive, focused approach to their position, and set standards to ensure that the Corporation is committed to business success through the maintenance of high standards of responsibility and ethics.

II. Director Qualifications

Subject to certain instances in which the Corporation may be legally required by contract, corporate charter, bylaw or otherwise to provide persons with the right to nominate directors, the Nominating and Corporate Governance Committee of the Corporation is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board. In reviewing such candidates, the Nominating and Corporate Governance Committee will consider, among other things, the individual’s (i) reputation for integrity, honesty and adherence to high ethical standards; (ii) demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Corporation and a willingness to contribute positively to the decision-making process of the Corporation; (iii) commitment to understand the Corporation and its industry and to regularly attend and participate in meetings of the Board and its committees; and (iv) ability to understand the sometimes conflicting interests of the various constituencies of the Corporation, which include stockholders, employees, clients, governmental units, creditors and the general public, and to act in the interests of all stakeholders. The Nominating and Corporate Governance Committee should also consider the mix of backgrounds and qualifications of the directors in order to assure that the Board has the necessary experience, knowledge and abilities to perform its responsibilities effectively. The Board recognizes the value of diversity on the Board, including diversity of experience, thoughts, gender, race, ethnicity, age and background, and the Nominating and Corporate Governance Committee and Board will consider such diversity in selecting nominees. Stockholders also may nominate directors for election at the Corporation’s annual meeting of stockholders by following the provisions set forth in the Corporation’s bylaws, whose qualifications the Nominating and Corporate Governance Committee will consider applying the same criteria, and following substantially the same process in considering them, as it does in considering other candidates.

III. Director Independence

Pursuant to the listing standards of NASDAQ, the Board is required to be comprised of a majority of directors who are independent directors who either meet or exceed the independence requirements of NASDAQ. In making any determination of independence for a director, the Board will consider all relevant facts and circumstances and may consider, as appropriate, imposing independence requirements more stringent than those required by NASDAQ.

IV. Director Service on Other Public Company Boards

Serving on the Corporation's Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. The Board, believes that its members who are executive officers (other than executive chair) of public companies should not serve on boards of directors of more than one external public company; its members who are executive chair of a public company should not serve on boards of directors of more than two external public companies; and its members who are not executive officers of public companies should not serve on boards of more than five public companies, and the Nominating and Corporate Governance Committee will take into account the nature of and time involved in a director's service on other boards, as well as such director's employment responsibilities, in evaluating the suitability of individual directors and making its recommendations for nominations.

V. Ethics and Conflicts of Interest

The Board expects its directors, as well as officers and employees, to act ethically. Directors and officers are expected to adhere to the Corporation's Code of Ethics and Business Conduct.

VI. Director Orientation and Continuing Education

The Corporation will provide new directors with materials, briefings and additional educational opportunities to permit them to become familiar with the Corporation and to enable them to perform their duties. Directors also are encouraged to visit the Corporation's facilities and meet with Corporation employees throughout their tenure on the Board. In addition, the Corporation provides directors with ongoing training materials, and directors are encouraged to attend accredited director education programs at the Corporation's expense.

VII. Term of Office

Directors stand for election by the stockholders of the Corporation each year at the Corporation's annual meeting for a one-year term expiring at the next annual meeting. Pursuant to the Company's charter and bylaws, the Board has the power to appoint new directors to fill vacancies between annual meetings, including vacancies created by newly created directorships. Any director appointed between annual meetings will be appointed to serve for an initial term expiring at the next annual meeting.

There are no limits on the number of terms that a director may serve. The Board believes the Corporation benefits from the contributions of directors who have developed, over time, increasing insight into the Corporation. The Nominating and Corporate Governance Committee reviews the appropriateness of each director's continued service.

VIII. Stock Ownership

The Corporation encourages directors to own shares of the Corporation's stock and maintains Stock Ownership Guidelines for the Corporation's executive officers and the non-employee members of the Board to affirm to stockholders that our executives and directors have a meaningful long-term position in the Corporation and a longer-term view of its performance.

IX. Director Responsibilities

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Corporation and its stockholders. In fulfilling that responsibility, directors reasonably may rely on the honesty and integrity of the Corporation's senior management and expert legal, accounting, financial and other advisors.

Board Meetings and Attendance: The Board will meet at least four times per year. Directors are expected to prepare for, attend and participate in all Board meetings and all meetings of committees of the Board of which they are a member, and to spend the time needed to meet as often as necessary to discharge their obligations properly.

Annual Stockholder Meeting Attendance: All directors are invited, but not required, to attend the Corporation's annual meeting of stockholders.

Agenda: The Chair of the Board, in consultation with the CEO and with the assistance of management, drafts the agenda for each meeting and distributes it in advance to the Board. Any director may suggest items to be included on the agenda or raise subjects at a Board meeting that are not on the agenda for that meeting. An agenda for each Board meeting, along with, to the extent feasible, information and data that is important to the Board's understanding of the business to be conducted at the Board meeting, will be distributed to directors in advance of the meeting. Certain matters may be discussed at the meeting without advance distribution of written materials, as appropriate.

X. Chair of the Board and Chief Executive Officer

The Board regularly evaluates whether or not the roles of Chair of the Board and CEO should be separate and, if they are to be separate, whether the Chair of the Board should be selected from the non-employee directors or be an employee of the Corporation. The Board believes these issues should be considered as part of the Board's broader oversight and succession planning process.

XI. Lead Independent Director

If the Chair of the Board is not an independent director, the independent members of the Board will annually select an independent director to serve in a lead capacity (the "***Lead Independent Director***"). Although selected annually, the Lead Independent Director may serve for more than one year and should expect to have sufficient time to dedicate to performing the duties of Lead Independent Director.

The Lead Independent Director's general responsibility, while working with the Chair, will be to coordinate the activities of the other independent directors, and to perform such other duties and responsibilities as the Board may determine.

The Lead Independent Director has the following specific duties and responsibilities:

- Presides at all meetings of the independent directors and any Board meeting when the Chair is not present, including executive sessions of the independent directors;
- Provides feedback from executive sessions of the independent directors to the Chair, CEO and other senior management;
- Reviews and approves with the Chair and CEO, agenda items and, if requested, the materials for Board meetings, advises on the sufficiency of time for discussion of agenda items and has the authority to add agenda items at his discretion;
- Has the authority to call meetings of the independent directors;
- Serves as the principal liaison and facilitator between the independent directors and the Chair and CEO;
- Responds directly to stockholder and other stakeholder questions and comments that are directed to the Lead Independent Director or to the independent directors as a group, when appropriate;

- If requested by major stockholders, ensures that he is available, when appropriate, for consultation and direct communication; and
- Performs such other duties as the Board may delegate from time to time.

XII. Executive Sessions

The Board expects to hold executive sessions without the presence of management, including the CEO, at least four times per year. In general, the Board reserves time following each regularly scheduled meeting to allow the independent directors to meet in executive session. The executive sessions shall be led by the Chair of the Board, if one has been elected and is independent. If a Chair of the Board has not been elected or if the Chair of the Board is not an independent director, the Lead Independent Director will lead the executive sessions.

XIII. Communication with Stakeholders

The Board believes that it is management’s responsibility to speak for the Corporation. Occasionally, the Lead Independent Director and other individual directors may meet or otherwise communicate with various constituencies that are involved with the Corporation, but it is expected that directors would do this with the knowledge of management and, in most instances, absent unusual circumstances or as contemplated by the duties of the Lead Independent Director or committee charters, at the request of management.

XIV. Board Committees

Standing Committees: The Board currently has a Nominating and Corporate Governance Committee, an Audit Committee and a Compensation Committee. From time to time, the Board may form new committees as it deems appropriate.

Independence and Qualifications of Standing Committee Members: The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be comprised of only directors who meet the NASDAQ definition of “independence”, as determined by the Board. Members of the Audit Committee and the Compensation Committee must satisfy additional independence and membership criteria, in accordance with the requirements of the Securities and Exchange Commission rules and NASDAQ requirements. The members of these committees also will meet the other membership criteria specified in the respective charters for these committees.

Standing Committee Member Assignments and Rotation: The Nominating and Corporate Governance Committee makes recommendations to the Board concerning the structure and composition of the Board committees. The Board will designate the chair, committee members and, where applicable, alternate standing committee members, by the vote of a majority of the directors. From time to time, there will be occasions on which the Board may want to rotate standing committee members, but the Board does not believe that it should establish a formal policy of rotation.

Standing Committee Charters: Each standing committee will have its own charter. The charter will set forth the purpose, authority and responsibilities of the standing committee in addition to the qualifications for standing committee membership. These charters will be available on the Company’s website.

Meeting and Agenda: The chair of each standing committee will determine, in consultation with the appropriate standing committee members and members of management, and in accordance with the standing committee’s charter, the frequency and length of standing committee meetings and the standing committee’s agenda. The schedule for each standing committee will be furnished to the full Board.

XV. Director Access to Outside Advisors

The Board and each committee shall have the power to hire independent legal, financial or other advisors as they may deem necessary or appropriate, subject to the conditions in each committee's charter.

XVI. Director Access to Officers and Employees

Directors are encouraged to talk directly with any officer or employee of the Corporation. Senior officers attend Board meetings from time to time to provide additional insight into the items being discussed.

XVII. Director Compensation

The Compensation Committee will periodically review the form and amount of director compensation and recommend any changes to the Board. Employee directors are not paid additional compensation for their services as directors.

XVIII. Board and Committee Self-Evaluations

To attract and maintain directors that will contribute meaningfully to the Board, the Board and each committee will conduct evaluations to review the performance of the Board and each committee annually.

XIX. Succession Planning

The Board and the CEO, with the support of the Compensation Committee, should conduct regular and ongoing reviews of management development and succession planning for the CEO and other key executives, both in the ordinary course of business and in the case of an emergency vacancy.

XX. Director Resignation Policy to Address Majority Voting

To address majority voting in director elections under the Company's Bylaws, the Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. As a result, director nominees shall be required to tender irrevocable resignations that will be effective only upon (i) the failure to receive the required vote at a stockholder meeting at which they face re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this policy. If an incumbent director fails to receive the required vote for re-election, the Nominating and Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the director election results. The Nominating and Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation.

XXI. Review of Governance Guidelines

These guidelines have been developed based on the prior experiences of the Board. The Board expects to review these guidelines periodically as appropriate.