

DIGIRAD CORPORATION

The Corporate Governance Committee Charter

Status

The Corporate Governance Committee is a committee of the Board of Directors.

Membership

The Corporate Governance Committee shall consist of no fewer than two members. All members shall be independent in accordance with independence requirements of the Nasdaq Stock Market and the standards established by the Board from time to time.

Committee Members shall be elected by the Board at the annual meeting of the Board of Directors and shall serve until their successors are elected and qualified. Committee members may be removed at any time by vote of the Board.

Structure and Meetings

The Committee shall meet at least twice each year. The Committee may establish its own schedule for meetings, which it will provide the Board in advance. The formal requirements for committee meetings are set forth in our Bylaws.

Responsibilities

The Corporate Governance Committee is responsible for considering and making recommendations to the Board concerning the appropriate size, functions and needs of the Board and its committees. The Corporate Governance Committee may, at its sole discretion, engage director search firms and has the sole authority to approve the fees and other retention terms with respect to any such firms. The Corporate Governance Committee also has the authority, as necessary and appropriate, to consult with outside advisors to assist in their duties to the Company. This responsibility includes:

- developing and recommending to the Board and periodically reviewing the criteria for Board membership; criteria should include, among other things, integrity, independence, diversity of experience, familiarity with the Company's industry, other professional commitments and the ability to exercise sound judgment;
- considering, recommending and recruiting candidates to fill new positions on the Board;
- reviewing candidates recommended by shareholders;
- conducting appropriate inquiries into the backgrounds and qualifications of candidates;
- recommending the Director nominees for approval by the Board and the shareholders;
- considering matters of corporate governance and developing and recommending to the Board and implementing a set of corporate governance principles applicable to the Company; and
- overseeing the evaluation of the Board and its committees.

The Committee's additional functions are:

- to advise the Board on candidates for the position of Chairman of the Board and to conduct investigations of those candidates as the Committee and the Board may deem appropriate;
- to consider questions of possible conflicts of interest of Board members and of our senior executives;
- to monitor and recommend the functions of the various committees of the Board;
- to recommend members of the committees;

- to make recommendations on the structure of Board meetings;
- to recommend matters for consideration by the Board; and
- to prepare an annual performance evaluation of the Corporate Governance Committee.

In addition to all these responsibilities, the Board from time to time may prescribe other duties and responsibilities for the Corporate Governance Committee. All powers of the Committee are subject to the restrictions designated in the Company's Bylaws and by applicable law.