

**FLIR SYSTEMS, INC.**  
**CORPORATE GOVERNANCE PRINCIPLES**  
**(AMENDED AS OF OCTOBER 22, 2008)**

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**ROLE OF BOARD OF DIRECTORS AND MANAGEMENT**

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1. **Board of Directors.** The Board of Directors of FLIR Systems, Inc. (the “Company”) is elected by the Company’s shareholders to oversee the Company’s business. The basic responsibility of the Board is to exercise their business judgement to act in what each director reasonably believes to be in the best interests of the Company and its shareholders. The Board’s primary duty is to select and oversee the performance of a chief executive officer (the “CEO”), who, together with the senior management team, operates and manages the Company’s business.
2. **CEO and Management.** It is the responsibility of the CEO, and of senior management under the CEO’s direction, to operate the Company’s business in a competent and ethical manner to produce value for the shareholders, and to regularly inform the Board of the status of the Company’s business.

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**BOARD SIZE AND ORGANIZATION**

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3. **Size.** Pursuant to the Bylaws of the Company, the Board shall consist of at least five (5) and not more than twelve (12) directors, which number shall be established or amended by resolution of the Board. The terms of office shall be as set forth in the Bylaws.
4. **Chair.** The Board shall select one of its members to serve as Chair. Any director, including the CEO, shall be eligible to serve as Chair.
5. **Committees.** The Board may establish and maintain such committees as it deems necessary in accordance with the Company’s Bylaws. The Board shall, at a minimum, establish and maintain the following three committees:

Audit Committee  
Compensation Committee  
Corporate Governance Committee

The purpose, composition, responsibilities and duties of each committee shall be set forth in a written charter, approved annually by the Board.

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## BOARD COMPOSITION AND DIRECTOR QUALIFICATIONS

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6. **Membership Criteria and Selection.** All nominations for election to the Board shall first be approved by the Corporate Governance Committee. Directors shall be persons of integrity, with significant accomplishments and recognized business experience, who will bring a diversity of perspectives to the Board. Directors are expected to commit the time necessary to prepare for and attend all regularly scheduled Board meetings and meetings of the Board committees on which they serve, as well as the annual meeting of the Company's shareholders. The CEO shall be a member of the Board.
7. **Independence.** A majority of the members of the Board, and all members of the Audit, Compensation and Corporate Governance Committees, shall be independent directors. The Board will review annually the relationship that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and shall determine the independence of each director. A director shall not be considered independent if:
- The director is, or has within the preceding three years been (1) an officer or employee of the Company or any of its subsidiaries or affiliates, or (2) served as a member of a compensation committee, or an employee of a company, that is deemed to be interlocking with the Company by virtue of the service on the committee of any member of the Company's management;
  - The director, or any member of the director's immediate family other than an employee of the Company, has, at any time within the preceding three years, received any payments (including political contributions) in excess of \$60,000 from the Company or any of its subsidiaries or affiliates other than as compensation for service on the Board;
  - The director or any member of the director's immediate family has, at any time within the preceding three years, been a partner or employee of the Company's outside auditors;
  - The director or a member of the director's immediate family is a partner in, or controlling shareholder or executive officer of, any for-profit business or organization to which the Company has within the past three years made, or from which it received, payments that exceed the greater of \$200,000 or 5% of either the Company's or the organization's consolidated gross revenues;
  - The director or a member of the director's immediate family is an executive officer of any charity to which the Company or any of its subsidiaries or affiliates makes contributions that exceed the greater of \$200,000 or five percent (5%) of the charity's gross revenue;
  - The director owns or controls 20% or more of the Company's voting securities;

- A member of the director’s immediate family is, or has within the preceding three years been, employed as an executive officer of the Company or any of its subsidiaries or affiliates;
  - The director has a material relationship with the Company (either directly or as a partner, shareholder or officer of another entity) that, in the opinion of a majority of the Company’s independent directors, interfere with the exercise of independent judgment in carrying out the responsibilities of a director;
  - The director or any member of the director’s immediate family has, during the past three years, been employed at any time as an executive of any entity where an executive from the Company serves on the compensation committee;
  - With respect to independence as a qualification for service on the Audit Committee, the director receives any compensation or payment from the Company other than for service on the Board or its Committees; or
  - The director otherwise fails to meet any requirements established for independent directors under any applicable regulations or requirements of the Securities and Exchange Commission, the Nasdaq Stock Market or other appropriate authorities.
8. **Change in Director’s Position.** If the CEO or any other officer of the Company serving on the Board resigns from the Company, or if a non-employee director has a material change in his or her principal occupation or business association, the director shall tender a resignation from the Board to the Corporate Governance Committee. The Corporate Governance Committee shall review the appropriateness of the director’s continued membership on the Board make its recommendation to the Board, which will determine whether or not to accept the resignation.
9. **Term Limits; Retirement Age.** No director shall serve on the Board longer than seven consecutive three-year terms, or age 75, whichever comes first. The Board may grant an exception to this policy on a case-by-case basis upon a finding that doing so is in the best interest of the Company.
10. **Outside Board Memberships.** Independent directors shall not serve on more than six boards of publicly traded companies. The Company’s CEO, who is a member of the Board, shall not serve on more than three boards of publicly traded companies in addition to the Company’s Board.
11. **Director Orientation and Education.** The Board and the Company’s senior management will provide new directors with materials and briefings necessary to permit them to become familiar with the Company’s business, strategic plans, significant financial, accounting and risk management issues, internal control and compliance programs and corporate governance practices. The Company will provide additional educational opportunities for its directors on an ongoing basis as necessary to enable each director to perform his or her duties as a director and Board committee member.

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## BOARD OPERATION

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- 12. Frequency of Meetings.** Regular Board meetings shall be held at least four (4) times per year and will be scheduled sufficiently in advance to accommodate directors' calendars and other commitments. Telephone and special meetings shall be held as necessary. Sufficient time will be scheduled for each regular meeting to ensure that all matters to be brought before the Board may be adequately considered and that all necessary Board deliberations may take place. Directors are expected to attend all Board meetings, in person or by telephone, except where there are unavoidable business or personal conflicts.
- 13. Executive Sessions of Independent Directors.** The independent directors shall meet in executive session without management at the time of each regular meeting of the Board. A majority of the independent directors shall from time to time designate one of the independent directors to chair the executive sessions.
- 14. Board Agenda and Materials.** The Chair shall establish the agenda for all Board meetings. Agenda items shall include those required for both operational oversight and necessary corporate governance. Information and materials that are necessary or important for proper consideration of the agenda items will be distributed sufficiently in advance of the meeting to permit adequate prior review, and directors are expected to review all materials prior to each meeting.
- 15. Management Attendees and Presentations.** Participation and presentations by management personnel at Board meetings are encouraged to assist the Board with its oversight responsibility and its evaluation of management performance.
- 16. Access to Management and Independent Advisors.** Directors shall have full access to the Company's management personnel to review or discuss matters relating to the business of the Company. The CEO should be advised of all significant communications between directors and Company management. The Board and each Board committee may consult with and retain such legal, accounting or other experts, at the Company's expense, as they deem appropriate to allow them do discharge their responsibilities.
- 17. Board Compensation Review.** The Corporate Governance Committee will periodically review the level and elements of the Company's director compensation in relation to director compensation of companies of comparable size, industry and complexity. Changes to director compensation shall be subject to the approval of the full Board. In the belief that directors should own a reasonable number of shares of the Company's stock, all independent directors, within three years of membership, shall hold shares of the Company's common stock, restricted stock or stock options to purchase the Company's common stock in an amount equal in value to no less than the average of one year's cash Board compensation during that three year period.
- 18. Performance Evaluation of the Board.** In order to enhance and continually improve the performance of the Board, the Corporate Governance Committee shall annually

evaluate the effectiveness and operation of the Board and the Board committees. The results of each evaluation will be promptly communicated to the Board. The results will also be used in evaluating the skills and attributes desired in new director candidates.

- 19. Evaluation and Compensation of Management.** The Compensation Committee will annually evaluate the performance of the CEO, review with the CEO his/her performance evaluation of other executive officers of the Company, and approve the compensation of the CEO and other executive officers. The compensation of the CEO and all other executive officers of the Committee shall be approved by the Committee meeting in executive session (except that, when considering compensation of executive officers other than the CEO, the CEO may be present). The Committee will promptly review with the CEO the results of the CEO evaluation. Further, all senior executives of the Company, defined as individuals required to file statements of ownership to the Securities and Exchange Commission pursuant to Section 16(a) of the Securities Exchange Act of 1934, shall hold shares of the Company's common stock, restricted stock or options to purchase the Company's common stock in an amount equal to no less than one year's salary.
- 20. Related-Party Transactions.** Neither the Company nor any individual shall enter into a related-party transaction unless it has first been reviewed and approved by the Audit Committee.
- 21. Succession Planning.** The Board will identify and periodically update the desired skills, qualities and characteristics necessary for an effective CEO of the Company. The CEO is responsible for developing and maintaining a succession planning process with respect to the CEO position and senior management positions. The CEO will annually make a succession planning report to the Board that will include specific assessments and recommendations. The Board and CEO will have an emergency succession plan in place for interim and transition leadership in the event of unforeseen or untimely vacancies in critical senior management positions.

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## CODES OF ETHICS

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The Company shall at all times maintain a Code of Business Conduct and Ethics for its directors, officers and employees that will, at a minimum, address conflicts of interest and compliance with applicable laws, rules and regulations. All directors, officers and employees of the Company shall annually certify compliance with the Code. The Code shall comply in all respects with applicable regulations or requirements adopted from time to time by the Securities and Exchange Commission and the Nasdaq Stock Market. The Company shall also maintain an effective compliance mechanism, which shall provide for the prompt disclosure of any waivers granted to officers or directors. Any waiver of the Code for a director or an officer of the Company may be made only by the Corporate Governance Committee of the Board. The Code will be publicly available.

The Company shall also at all times maintain a Code of Ethics for Senior Financial Officers that complies in all respects with applicable regulations or requirements adopted

from time to time by the Securities and Exchange Commission and the Nasdaq Stock Market. All senior financial officers of the Company shall annually certify compliance with the Code. The Audit Committee will assess compliance with this Code, report material violations to the Board and as otherwise required by applicable law or regulation and recommend to the Board appropriate action for any violation. Any waiver of the Code may only be made by the Audit Committee, and the Audit Committee will take any steps necessary to insure that such waiver is publicly disclosed to the extent and in the manner required by applicable law or regulation. The Code of Ethics for Senior Financial Officers will be publicly available.