

**LOJACK CORPORATION
AMENDED AND RESTATED
CORPORATE GOVERNANCE GUIDELINES**

These guidelines reflect the practices the Board of Directors (the “Board”) has adopted to facilitate the management of the business and affairs of LoJack Corporation (the “Company”) under the Board's direction. The guidelines supplement the provisions of the Company's Articles and Bylaws.

The Board's primary objective is to maximize long-term shareholder value and to assure the vitality of the Company for its owners, employees and customers.

These guidelines, the Company's Code of Business Conduct and Ethics and other materials deemed appropriate will be made available to shareholders, including through the Company's web site. The Board will revise these guidelines from time to time.

1. Structure of the Board

- A. Size of Board: The Board shall have seven to eleven members.
- B. Terms: Directors are elected to one year terms. Ordinarily, a director will not be nominated for election after completion of the term during which his 72nd birthday occurs. An exception may be made only with the specific approval of two-thirds of the other directors.
- C. Selection of Members: The Nominating/Corporate Governance Committee will identify individuals qualified to become members of the Board and recommend them to the Board for approval, including nominees for election at annual meetings of shareholders. Following any Board approval of a candidate, the chairman of the Board will extend the candidate an invitation to join the Board (subject to election by shareholders, if applicable). Generally, selection criteria will include character, judgment and experience. Technical expertise, industry experience and familiarity with national, international and competitive issues facing the Company also are among the criteria.
- D. Chairman and Lead Director: The directors annually will elect a chairman to lead the Board and a lead director, to lead meetings of the independent directors.
- E. Board Meetings.
 - i. Number: The Board generally expects to have at least four scheduled meetings per year, with additional meetings from time to time, as determined by the needs of the business.
 - ii. Agenda: The Chairman, in consultation with the chief executive officer if that office is held by another person, will establish the agenda for each board meeting.

- iii. Board Materials: Information important to the Board's understanding of the business should be provided at least five days prior to board meetings.
 - F. Attendance: Directors are expected to attend substantially all meetings of the Board and the committees of which the directors are members, with any necessary absences held to a minimum. Board members are expected to have reviewed the board materials prior to the meeting.
 - G. Independent Director Sessions: On a regular basis and at least twice yearly, in conjunction with or independent of board meetings, the independent directors will meet with no management directors present, with the lead director presiding. Meetings of the independent directors normally will be held in conjunction with board meetings.
 - H. Executive Sessions: A portion of each board meeting generally will be held in executive session - that is, with no non-directors present — with the chairman of the Board presiding.
2. Qualification of Directors
- A. Independence: A majority of Board members shall be independent. A member will be "independent" if: (i) the Board determines that the director has no material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), and (ii) the director otherwise satisfies the requirements for independence under Nasdaq listing and other applicable regulatory standards (including any permitted phase-in periods). Further, members of the audit committee will receive no compensation from the Company other than fees for services in the capacity of director.
 - B. Orientation and Education: The Chairman will oversee an orientation process for new members, which generally will include background briefings by the chairman, chief executive officer, and other senior company officers, including the general counsel. Board members are also strongly encouraged to take advantage of opportunities for appropriate continuing education. The Company will reimburse the cost of appropriate continuing education.
 - C. Conflicts of Interest: A director's business or personal relationships may give rise to a material personal interest on a particular issue that conflicts, or appears to conflict, with the interests of the Company. Each director is personally responsible for identifying and reporting any actual or apparent conflict of interest to the chairman and general counsel.
 - D. Outside Board Memberships. The Chief Executive Officer and other management directors shall seek the approval of the Board before accepting outside board memberships. The Company does not have a policy limiting the number of other public company boards of directors upon which a director may sit; provided, however, that sitting on another public company's board of directors

should not create a conflict of interest or impair the director's ability to allocate sufficient time to carry out his or her duties as a director of the Company.

- E. Change of Circumstances: The Board shall consider the impact of a change in an individual's professional responsibilities on that person's ability to fulfill directorship obligations. To facilitate the Board's consideration, (i) employee directors shall submit a resignation from the Board as a matter of course upon retirement, resignation, or other significant change in professional roles, and (ii) all independent directors promptly shall advise the Board upon retirement, a change in employer, or other significant change in professional roles and responsibilities. The Board will determine whether the director continues to adequately meet the requirements for service on the Board.
- F. Retirement Age: Each director who shall attain the age of seventy-five shall tender to the Nominating/Corporate Governance Committee a resignation from the Board as a matter of course. The Nominating/Corporate Governance Committee shall review the circumstances and accept or decline to accept the tendered resignation based upon its determination as to whether or not continued service of the director on the Board is in the best interests of the Company.
- G. Equity Ownership: Directors should maintain meaningful equity ownership in the Company. Accordingly, the Compensation Committee should consider paying a significant portion of director compensation in equity. Directors are expected to acquire over time and retain such equity (or otherwise acquire shares) until they hold a minimum of 5,000 shares of the Company's common stock. Directors are expected to be in compliance with this policy by the later of two years from the date first elected to the Board or two years from the date of adoption of this guideline. The Nominating/Corporate Governance Committee will establish and review from time to time shareholding guidelines with respect to executive officers.
3. Policy Regarding Holdover Directors. In an election of directors other than a Contested Election Meeting (as defined in Article I Section 8 of the Company's bylaws), any nominee for director who is an incumbent director and who does not receive more votes "for" his or her election than votes cast "against" his or her election (with "abstentions," "broker non-votes" and "withheld votes" not counted as a vote "for" or "against" such nominee's election) shall, promptly following certification of the shareholder vote, offer his or her resignation to the Board for consideration in accordance with the following procedures, all of which procedures shall be completed within 90 days following certification of the shareholder vote:
- The Committee (as defined below) shall evaluate the best interests of the Company and its shareholders and shall recommend to the Board the action to be taken with respect to such offered resignation (which can range from accepting the resignation, to maintaining the director but addressing what the Committee believes to be the underlying cause of the "against" votes, to resolving that the director will not be re-nominated in the future for election, to rejecting the resignation). In reaching its recommendation, the

Committee shall consider all factors it deems relevant, including, as it deems appropriate, any stated reasons why shareholders voted “against” the election of such director, any alternatives for curing the underlying cause of the “against” votes, the total number of shares voting, how such shares were voted, the number of broker non-votes (if any), the director’s tenure, the director’s qualifications, the director’s past and expected future contributions to the Company and the overall composition of the Board, including whether accepting the resignation would cause the Company to fail to meet any applicable SEC or Nasdaq requirements.

- The Board shall act on the Committee’s recommendation. In acting on the Committee’s recommendation, the Board will consider all of the factors considered by the Committee and such additional factors as it deems relevant.
- Following the Board’s determination, the Company shall promptly publicly disclose in a document furnished or filed with the SEC the Board’s decision of whether or not to accept the resignation offer and an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the offered resignation.
- A director who is required to offer his or her resignation in accordance with this policy shall not be present during deliberations or voting of the Committee or the Board regarding whether to accept his or her resignation or, except as otherwise provided below, a resignation offered by any other director in accordance with this policy. Prior to voting, the Committee and the Board will afford the affected director an opportunity to provide the Committee or the Board with any information or statement that he or she deems relevant.

If the Board accepts a nominee’s resignation, then the Board may fill the resulting vacancy pursuant to the provisions of Article II Section 8 of the Company’s bylaws or may decrease the size of the Board pursuant to the provisions of Article II Section 1 of the Company’s bylaws. For purposes of this policy, the term “Committee” means (i) the Nominating/Corporate Governance Committee, provided such committee then consists of at least three directors, each of whom is an independent director (as defined in accordance with these Corporate Governance Guidelines) and none of whom is a director who is required to offer his or her resignation in accordance with this policy or (ii) if clause (i) is not satisfied, a committee of at least three directors designated by the Board, each of the members of which is an independent director (as defined in accordance with these Corporate Governance Guidelines) and none of the members of which is a director who is required to offer his or her resignation in accordance with this policy; provided, however, that if there are fewer than three independent directors then serving on the Board who are not required to offer their resignations in accordance with this policy, then the Committee shall be comprised of all of the independent directors and each independent director who is required to offer his or her resignation in accordance with this policy shall recuse himself or herself from the Committee and Board’s deliberations and voting with respect to his or her individual offer to resign.

4. Board Functions

- A. Board Compensation: The Compensation Committee of the Board will annually recommend compensation to be provided for board service. Generally, compensation will be provided based on an evaluation of the compensation provided by other companies that the Board finds comparable to the Company. Director compensation will be disclosed annually in the Company's proxy statement.
- B. Board Review and Compensation. The Nominating/ Corporate Governance Committee will annually review and evaluate the performance of the Board and of its committees.
- C. Code of Business Conduct and Ethics: The Board has approved and shall periodically review the Company's Code of Business Conduct and Ethics, which reflects the Company's commitment to lawful and ethical conduct. Board members, individually and collectively, are bound by the Company's Code of Business Conduct and Ethics. Only the Board can waive provisions of the Company's Code of Business Conduct and Ethics covering a Board member or an executive officer. Any such waiver shall be reported on Form 8-K filed with the SEC.
- D. Strategy: The Board oversees the Company's strategy. The Board routinely shall review strategic matters and Company objectives. At least annually, the Board shall review the Company's progress against its strategic goals. The Board also should consider strategic alternatives, including sale, mergers, acquisitions and like transactions on a regular basis.
- E. Access to Management and Advisors: Directors shall have full and free access to officers and employees of the Company and, as appropriate, the Company's outside advisors, which the chairman shall coordinate. The directors will use their judgment to ensure that such access is not disruptive to the business operations of the Company. Generally, the chief executive officer (as a director) and general counsel will attend board meetings. Directors also shall have access to independent advisors for committee and board meetings. Key executive officers shall invited to attend and make presentations to the Board from time to time.
- F. Public Communications: Individual directors may, from time to time, receive requests for comment concerning Company business. If public comments from the Board are appropriate, the chairman, chief executive officer, or dedicated spokesperson will coordinate them to assure compliance with the Company's fair disclosure policy.

5. Committees

- A. Standing Committees: The Board has established the following standing committees: Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee.

- B. Agendas and Activities: The chair of each committee, working with the chairman of the Board, should establish an agenda for each meeting. Committee chairs will report to the full Board on committee activities at the next meeting of the Board.
- C. Composition: The Nominating/Corporate Governance Committee oversees the composition of committees and recommends appropriate members for committees. All committee members shall be independent directors as defined by Nasdaq listing standards and other applicable regulations (including any permitted phase-in periods). At least one member of the Audit Committee shall be a "financial expert" as provided in applicable law (including any permitted phase-in periods), and each member shall be financially literate (as provided in the Audit Committee charter).
- D. Charters: The role of each committee shall be as provided in such committee's charter. Each committee will review its charter annually. Committee charters and any changes to them are subject to Board review and approval.
- E. Annual Review: Each year, each committee will evaluate the performance of the committee.

6. Executives

- A. Chief Executive Officer: The chair of the Compensation Committee will lead the process of assessment of the performance of the chief executive officer.
- B. Management Succession and Review: A substantial portion of at least one of the Compensation Committee's meetings each year will be devoted to succession planning. The chief executive officer will develop and maintain a process for advising the Compensation Committee and Board on planning for potential successors for key leadership positions in the Company. The Company will have in place at all times a plan providing for succession in the event of scheduled or emergency developments. In the event of a vacancy in the office of the chief executive officer, the Nominating/Corporate Governance Committee shall lead process for the selection of the chief executive officer. The Company believes that this process must be flexible to allow the Board to act in the best interest of the Company under the circumstances surrounding the decision. The Board has no policy on the separation of the offices of chairman and chief executive officer. The Board believes that this issue is properly part of the governance and succession planning process and should be dealt with by the Board in that context.