



Corporate Governance Guidelines of VCA Inc.

I. SELECTION AND COMPOSITION OF THE BOARD

1. Board Membership Criteria.

The Nominating and Corporate Governance Committee of the Board works with the Board as a whole on an annual basis to determine the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and its committees. In evaluating the suitability of individual Board members, the Board considers many factors, including issues of experience, wisdom, integrity, skills such as an understanding of finance and marketing, educational and professional background, and willingness to devote adequate time to Board duties. At all times, at least one member of the Board must meet the definition of "financial expert" set forth in the U.S. Sarbanes-Oxley Act of 2002 for service on the Company's Audit Committee, and all members of the Board serving on the Company's Audit Committee must meet the requirements of the Nasdaq Stock Market, Inc. and the Sarbanes-Oxley Act. Board members are expected to rigorously prepare for, attend, and participate in all Board and applicable committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director.

Candidates nominated for election or re-election to the Board should possess the following qualifications:

- high personal and professional ethics, integrity, practical wisdom, and mature judgment;
- no conflict of interest that would interfere with his or her performance as a director of a public corporation;
- broad training and experience at the policy-making level in business, government, education, medicine, law or technology;
- expertise that is useful to the Company and complementary to the background and experience of other Board members;
- willingness to devote the required amount of time to carrying out duties and responsibilities of Board membership;
- commitment to serve on the Board over a period of several years to develop knowledge about the Company's principal operations; and
- willingness to represent the best interests of all stockholders and objectively appraise management performance.

2. Board Definition of What Constitutes Independence for Directors.

The Company complies with the rules promulgated by the Nasdaq Stock Market, Inc. for determining the independence of directors, as well as the Sarbanes-Oxley Act requirements for independence of directors on the Audit Committee and Compensation Committee. The Board is responsible for affirmatively determining that no individual serving as an independent director has any relationship, which in the Board's opinion, would interfere with the exercise of independent judgment in carrying out the responsibilities of directors.

3. Majority of Independent Directors on Board.

Independent directors constitute a majority of the Board.

4. Selection of New Directors; Vacancies.

The entire Board is responsible for nominating members for election to the Board, for filling vacancies on the Board that may occur between annual meetings of the stockholders and for filling newly created directorships. The Nominating and Corporate Governance Committee is responsible for identifying, screening, and recommending candidates to the entire Board for Board membership. When formulating its Board membership recommendations, the Nominating and Corporate Governance Committee also considers any advice and recommendations offered by the Chief Executive Officer or the Company's

stockholders. 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 business and represent stockholder interests through the exercise of sound judgment using its diversity of experience. In evaluating the suitability of a candidate, the Nominating and Corporate Governance Committee and the Board takes into account many factors, attributes and criteria, including the candidate's:

- general understanding of marketing, finance and other disciplines relevant to the success of publicly traded companies;
- understanding of the Company's business; education and professional background; personal and professional integrity;
- knowledge, skills and expertise;
- personal accomplishments; and
- gender, age and ethnic diversity.

In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

For so long as the Board is classified, the Board shall endeavor, where reasonably practicable, to appoint nominees for vacancies or newly created directorships to that class of directors that will stand for election at the next annual meeting of stockholders. If appointment to that class is not reasonably practicable, the Company will nominate the newly appointed director to stand for election at the next annual meeting of stockholders to serve in that class in which he or she was appointed, notwithstanding that other directors serving in that class are not required to stand for election. If the newly appointed director is nominated and fails to be elected at the next annual meeting of stockholders, he or she shall tender his or her resignation to the Board.

5. Extending the Invitation to a Potential Director to Join the Board.

The invitation to join the Board is generally extended by the Board itself via the Chairman of the Board and Chief Executive Officer of the Company, together with an independent director, when appropriate.

6. Director Orientation.

The Nominating and Corporate Governance Committee maintains an orientation program for new directors. The orientation program includes comprehensive information about the Company's business and operations, general information about the Board and its committees, including a summary of director compensation and benefits, and a review of director duties and responsibilities.

7. Term of Office and Term Limits.

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

8. Directors Who Change Their Present Job Responsibility.

The Board does not believe that directors who retire or change the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances.

9. Membership on Other Boards.

A non-executive director of the Board may serve as a director of another company only to the extent such position does not conflict or interfere with such person's service as a director of the Company.

10. Director Responsibilities.

The Board, as a whole, has the responsibility to ensure that in good times, as well as difficult ones, management is capably executing its responsibilities. In order for the Board to satisfy its responsibilities, each director, at a minimum, is expected to attend a significant majority of all Board meetings and to carefully review all meeting materials in advance of such meetings.

II. BOARD LEADERSHIP

1. Selection of Chairman and Chief Executive Officer.

The Board selects the Company's Chief Executive Officer and Chairman of the Board in the manner that it determines to be in the best interests of the Company's stockholders. The Board believes the positions of Chief Executive Officer and Chairman of the Board should be combined to provide unified leadership and direction. The Board reserves the right to adopt a different policy should circumstances change.

2. Separate Sessions of Non-Management Directors.

The non-management directors shall meet regularly, but no less than two (2) times a year.

III. BOARD COMPENSATION

1. Board Compensation.

The Company's executive officers shall not receive additional compensation for their service as directors. The Compensation Committee sets the compensation of all directors in accordance with the Compensation Committee Charter. The compensation received by the members of the Audit Committee from the Company is specifically limited to those fees paid for their services as directors and members or chairman of any committees of the Board. The Company believes that compensation for non-management directors should be competitive and should encourage increased ownership of the Company's stock through the payment of a portion of director compensation in Company stock, deferred compensation stock equivalents or options to purchase the Company's stock. The Board should make changes in its director compensation practices only upon the recommendation of the Compensation Committee, and following discussion and unanimous concurrence by the full Board.

IV. BOARD RELATIONSHIP TO SENIOR MANAGEMENT

1. Regular Attendance of Non-Directors at Board and Committee Meetings.

The Board welcomes the regular attendance at each Board and committee meeting of non-Board members who are in the most senior management positions of the Company. Should the Chairman of the Board want to add additional people as attendees on a regular basis, it is expected that this suggestion would be made to the Board for its concurrence.

2. Board Access to Senior Management and Independent Advisors.

Board members have complete access to the Company's management, subject to reasonable time constraints. It is assumed that Board members will use judgment to be sure that this contact is not distracting to the business operation of the Company and that such contact, if in writing, be copied to the Chairman of the Board. Furthermore, the Board encourages the management to bring, from time to time, managers into Board and/or committee meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board and its committees. Board members also shall have complete access (financial and otherwise), as necessary and appropriate, to independent advisors.

3. Board's Interaction with Institutional Investors, Press, Customers, Etc.

The Board looks to the Company's management to speak for the Company, but recognizes that individual directors may sometimes communicate with third parties on matters affecting the Company. Before doing so, to the extent feasible, it is expected that this communication would be made with the concurrence of management.

V. MEETING PROCEDURES

1. Frequency of Meetings.

The Company has four (4) to six (6) regularly scheduled meetings per year. In addition, special meetings may be called from time to time as determined by the needs of the business. The Board meets whenever required by the business of the Company or whenever a meeting is properly called in accordance with the Company's bylaws. It is the director's responsibility

to attend these meetings.

2. Selection of Agenda Items for Board Meetings.

The Chairman of the Board, taking into account suggestions from other Board members, will establish the agenda for each Board meeting and distribute it in advance to the Board. Each Board member is free to suggest the inclusion of items on the agenda.

3. Board Materials Distributed in Advance.

Information and data that is relevant to the Board's understanding of the matters to be discussed at an upcoming Board meeting will be distributed in writing (where feasible) or electronically to all Board members in advance of the meeting. This will help facilitate the efficient use of time at Board meetings to deliberate and make decisions on key Company issues. Management will make every attempt to see that the material being distributed is as concise as possible while still providing sufficient information to make informed decisions. The Board acknowledges that certain items to be discussed at Board meetings are of an extreme sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

4. Board Presentations.

As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions in which the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting.

VI. COMMITTEE MATTERS

1. Number, Structure and Independence of Committees.

From time to time, the Board may want to form a new committee or disband a current committee depending upon the circumstances. The current committees are the Audit, Nominating and Corporate Governance, and Compensation Committees, each of which is governed by a separate committee charter adopted by the Board. Each committee will perform its duties as assigned by the Board in accordance with the Company's bylaws and as set forth in the committee's charter. These may be described briefly as follows:

- **Audit Committee.** Each member of the Audit Committee is an independent director. The Audit Committee reviews the work of the Company's internal accounting and audit processes and the work of the Company's independent auditors. The Audit Committee has authority to appoint the Company's independent auditors.
- **Nominating and Corporate Governance Committee.** The Nominating and Corporate Governance Committee is responsible for recommending to the Board individuals to be nominated as directors. This includes evaluation of new candidates as well as evaluation of current directors. The Nominating and Corporate Governance Committee also reviews and reports to the Board on matters of corporate governance (that is, the relationships of the Board, the stockholders, and management in determining the direction and performance of the Company) and reviews and addresses these Guidelines and recommends revisions as appropriate.
- **Compensation Committee.** The Compensation Committee stays informed as to market levels of compensation and, based on evaluations, recommends to the Board compensation levels and systems for the Company. It also administers the Company's stock option plans, including the review and grant of stock options to all eligible employees under the Company's existing stock option plans.

2. Assignment and Rotation of Committee Members.

The Board is responsible for the appointment of committee members according to the criteria that it determines to be in the best interest of the Company and its stockholders.

3. Selection of Committee Chairs.

The chairman of each committee shall be appointed by the Board or, in absence of Board action, by the members of such committee. It is expected that each committee chairman will have had previous service on the applicable committee.

4. Frequency and Length of Committee Meetings.

Each committee chairman, in consultation with committee members, will determine the frequency and length of the meetings of such committee in accordance with legal and regulatory requirements.

5. Committee Agendas.

The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop such committee's agenda. The agendas and meeting minutes of the committees will be shared with the full Board and other Board members are welcome to attend committee meetings.