

# **BIMINI CAPITAL MANAGEMENT, INC. CORPORATE GOVERNANCE GUIDELINES**

(As amended February 13, 2009)

The following principles have been approved by the board of directors (the "Board") of Bimini Capital Management, Inc. (the "Company") and, along with the charters of the Board committees and the Company's Code of Business Conduct and Ethics provide the framework for the governance of the Company. The Board recognizes that there is an on-going and energetic debate about corporate governance, and it will review these principles and other aspects of the Company's governance annually or more often if deemed necessary.

## **1. Role of Board and Management**

The Company's business is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer and the oversight of the Board, to enhance the long-term value of the Company for its stockholders. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other interested parties including employees, customers, suppliers, government officials, and the public at large.

## **2. Functions of Board**

The Board will meet regularly to review and discuss reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to attend all scheduled Board and committee meetings. In addition to its general oversight of management, the Board, either itself or through the Board's committees, also performs a number of specific functions, including:

- selecting, evaluating and compensating the Chief Executive Officer;
- providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
- reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- assessing major risks facing the Company and reviewing options for their mitigation; and
- ensuring processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with counterparties and suppliers, and the integrity of relationships with other persons.

## **3. Qualifications**

The directors are nominated in accordance with procedures set forth in the Corporate Governance and Nominating Committee Charter. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. The

Company endeavors to have a Board representing experience in areas that are relevant to the Company's activities.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should offer their resignation in the event of any significant change in their personal circumstances that may adversely affect their qualifications to serve on the Board.

#### **4. Independence of Directors**

The Company intends that all future non-employee directors shall be independent directors within the meaning of applicable law and stock exchange listing standards as in effect from time to time and shall be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Board. No director will qualify as independent unless the Board makes an affirmative determination that the director has no material relationship with the Company. The Company will not make any personal loans or extensions of credit to directors or executive officers. Unless otherwise approved by the Board, no independent director or family member of any such independent director may provide personal services for compensation to the Company.

#### **5. Director Compensation**

The Board, through the Company's Compensation Committee, will review, with the assistance of management or outside consultants, if desired, appropriate compensation policies for the directors serving on the Board and its committees. It is the general policy of the Board that Board compensation should be a mix of cash and equity-based compensation. In performing this review, the Compensation Committee may consider board compensation practices of other companies of similar size and structure, contributions to Board functions, service as committee chairs and other appropriate factors.

#### **6. Succession Planning**

The CEO will review with the Corporate Governance and Nominating Committee and the Board succession plans for executive officers on an annual basis.

#### **7. Board Committees**

The Board has established the following committees to assist the Board in discharging its responsibilities: (i) the Audit Committee; (ii) the Compensation Committee; and (iii) the Corporate Governance and Nominating Committee. The current charters of these committees are to be published on the Company website, and will be mailed to stockholders on written request. The committee chairs report the highlights of their meetings to the full Board following each meeting of the respective committees. The committees occasionally hold meetings in conjunction with the full Board.

#### **8. Setting Board Agenda**

The Board shall be responsible for its agenda. Annually, the Chairman of the Board will propose for the Board's approval key issues of strategy, risk and integrity to be scheduled and discussed during the course of the next calendar year. Before that meeting, the Board will be invited to offer its suggestions. As a result of this process, a schedule of major discussion items for the following year will be established. The presiding director, or committee chair as appropriate, shall determine the nature and extent of information that shall be provided regularly to the directors before each scheduled Board or committee meeting.

Directors are urged to make suggestions for agenda items, or additional pre-meeting materials, to the Chairman or appropriate committee chair at any time.

#### **9. Ethics and Conflicts of Interest**

The Board expects non-independent directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's Code of Business Conduct and Ethics. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chief Executive Officer and the Chairman of the Board. If a significant conflict exists and cannot be resolved, the Board will take appropriate action, including promptly disclosing the conflict to stockholders, as required by applicable law. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving the Chief Executive Officer, and the Chief Executive Officer shall resolve any conflict of interest issue involving any other officer of the Company.

#### **10. Reporting of Concerns to Non-Employee Directors or the Audit Committee**

Anyone who has a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Chairman of the Board, to the non-employee directors, to the Audit Committee or the Company's Compliance Officer. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing, or reported by phone to the Company. Concerns relating to accounting, internal controls, auditing or officer conduct shall be sent immediately to the Chairman of the Board and to the chair of the Audit Committee and will be simultaneously reviewed and addressed by the Chief Financial Officer in the same way that other concerns are addressed by the Company. The status of all outstanding concerns addressed to the non-employee directors, the Chairman of the Board, or the Audit Committee will be reported to the Board on a quarterly basis. The Chairman of the Board or the Audit Committee chair may direct that certain matters be presented to the Audit Committee or the full Board and may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The Company's Code of Business Conduct and Ethics prohibits any employee from retaliating or taking any adverse action against anyone for raising in good faith an integrity concern.

#### **11. Access to Management and Independent Advisors**

The Board and its committees shall have the right at any time to access management and, as necessary and appropriate, to retain independent outside financial, legal or other advisors.

#### **12. Director Orientation and Continuing Education**

The Chief Financial Officer shall be responsible for providing an orientation for new directors, and for periodically providing materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. Each new director shall, within six months of election to the Board, spend a day at the Company's offices for personal briefing by senior management on the Company's strategic plans, its financial statements, and its key policies and practices. Any sitting director may attend such a briefing.