

INFORMATION SERVICES GROUP, INC.

Board of Directors Corporate Governance Guidelines

Responsibility of the Board

The primary mission of the Board of Directors (the “Board”) of Information Services Group, Inc. (“ISG” or the “Company”) is to advance the interests of the Company’s stockholders by maximizing stockholder value over the long term. The Board believes that this mission is best served by assuring a corporate culture of accountability, responsibility and ethical behavior through the careful selection and evaluation of senior management and members of the Board and by carrying out the Board’s responsibilities in an informed manner with integrity.

The Board is elected by and accountable to the shareholders. It selects the senior management team, which is charged with the conduct of the Company’s business. Having selected the senior management team, the Board acts as an advisor to senior management and ultimately monitors its performance. At and between Board meetings, senior management shall advise the Board regarding any material developments regarding the Company.

In discharging their obligations, directors should be entitled to rely on the integrity of the Company’s senior executives and its outside advisors and auditors. Board members are expected to prepare for, attend and participate in all Board meetings and meetings of Board committees on which they serve and to devote the time necessary to appropriately discharge their fiduciary duties. Each Board member is expected to ensure that other board and committee memberships and other commitments do not materially interfere with the member’s service as a director.

In performing its role, the principal functions of the Board, some of which may be delegated to committees thereof, are the following:

- to select, evaluate the performance of and plan for the succession of the CEO;
- to review, approve and monitor the Company’s major objectives and its strategies to achieve those objectives, and evaluate the Company’s performance against those objectives and strategies;
- to authorize all major transactions, such as material mergers, acquisitions, or divestitures and changes in capital structure, subject to approval of the stockholders when and as required by law and the Company’s governing documents and instruments;

- to advise management on significant issues facing the Company and oversee the conduct of the Company's businesses in order to evaluate whether the businesses are being properly managed;
- to review and, where appropriate, approve major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles and practices to be used in the preparation of the Company's financial statements;
- to review and oversee compensation of executive officers;
- to oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and legal compliance;
- to facilitate the performance of the Board's fiduciary obligations by promoting an open, positive dialogue among members of the Board; and
- to nominate directors and ensure that the structure and practices of the Board provide for sound corporate governance.

Director Selection

Board Membership Criteria. The Board believes that the function of the Board in monitoring the performance of the senior management of the Company is served by the presence of experienced outside directors of stature who have a substantive knowledge of the Company and its business. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, the appropriate skills and experience required of Board members based on the totality of the circumstances with respect to any and all Board members. This assessment should include, without limitation, factors such as judgment, skill, diversity, character, integrity, collegiality, willingness to act upon and be accountable for majority Board decisions, experience (particularly with businesses and other organizations of comparable size and within similar or related industries) and how that experience interplays with that of the other Board members, independence from management, and the ability of the candidate to attend Board and Committee meetings regularly and to devote an appropriate amount of time and effort in preparation for those meetings. Ultimately, the Committee will nominate those individuals who the Committee believes will, in conjunction with other members of the Board, best collectively serve the best long-term interests of the Company's stockholders. In assessing stockholder nominees, the Committee will consider the same criteria utilized for other candidates, but will also consider whether the candidate can serve the best interests of all stockholders of the Company and not be beholden to the sponsoring person or group.

Selection of Director Nominees. The Nominating and Corporate Governance Committee will recommend candidates for election to the Board in accordance with the criteria described herein and the policies and principles set forth in its Charter. The Chairman of the Board and Chair of the Committee will regularly discuss potential candidates, and the Chair of the Committee will regularly seek recommendations for potential candidates from other Board

members. Third party consultants may be retained from time to time to identify potential candidates.

The Committee will assess candidates recommended by shareholders or other Company constituents if such recommendations comply with the Company's Bylaws and the process set forth in the Company's annual proxy statement.

Any invitation to join the Board should be extended by the Board through the Chairman of the Board. The Committee will review the nomination of incumbent directors for re-election to the Board upon expiration of such director's term using the same criteria set forth above for new members.

Board Composition

Independent Directors. At least a majority of the members of the Board shall be "independent" under the rules of the Nasdaq Stock Market and under applicable law. It will be the Board's objective that at least two-thirds of the members of the Board be "independent" under the rules of the Nasdaq Stock Market and under applicable law. The Board believes that only a minimal number of senior executives would ordinarily be considered for Board membership. The Nominating and Corporate Governance Committee shall review annually with the Board the relationships 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). Following such annual review, only those directors who the Board as a whole, by resolution after due deliberation, determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and who otherwise satisfy all relevant independence standards under the listing standards of the Nasdaq Stock Market and applicable law will be considered independent. Such determination by the Board shall be disclosed annually in the Company's proxy statement or other applicable disclosure document.

Size of the Board; Classification. It is the policy of the Board that the number of directors be not less than three, and no more than a number that can function effectively and efficiently as a body. The Board will periodically review the size of the Board based on recommendations of the Nominating and Corporate Governance Committee. Pursuant to the Company's Certificate of Incorporation, the Board is presently divided into three classes (Class I, Class II and Class III). At each Annual Meeting of Shareholders, successors to the class of directors whose term expires at that Annual Meeting are elected for a three-year term. A director shall hold office until the Annual Meeting for the year in which the director's term expires or until the director's successor shall be elected. Upon recommendation of the Nominating and Corporate Governance Committee, the Board will assess from time to time whether a classified Board continues to serve the best interests of the Company and its stockholders.

Positions of Chairman and CEO. The Board may elect to have one person hold the positions of Chairman and CEO, depending on the facts and circumstances at that time. Upon recommendation of the Nominating and Corporate Governance Committee, the Board will review these policies from time to time to assess whether they continue to serve the best interests of the Company and its stockholders.

Service on Other Boards. The Board recognizes that service on other boards or similar bodies may interfere with a member's ability to serve the Company's Board to the best of his or her ability. The Board, however, does not believe that a quantitative standard appropriately captures the variety of factors that should be weighed in assessing whether a Board member can appropriately discharge their duties. The primary consideration is whether the nature and extent of the other commitments directly or indirectly adversely impact that person's ability to fulfill his or her obligations as a director of the Company. Directors should advise the Chairman of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board of directors of another company so that the Board may consider whether it believes such service may compromise the Board member's ability to serve the Company. The Nominating and Corporate Governance Committee will periodically assess other board memberships and any adverse impact to service on the Company's Board in accordance with the overall Board membership criteria set forth above. Additionally, the CEO and other executive officers must seek the approval of the Board before accepting membership on other boards or similar governing bodies.

Changes in Professional Responsibility. When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer, such director should submit his or her resignation to the Board, which the Board may accept or reject based on the recommendation of the Nominating and Corporate Governance Committee.

Term Limits. The Board does not believe it should establish term limits. While term limits could help insure 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. As an alternative to term limits, the Nominating and Corporate Governance Committee will review each director's continuation on the Board as a regular part of the nominating process, which presently occurs every three years for each incumbent director. Upon recommendation of the Nominating and Corporate Governance Committee, the Board will periodically review this policy to assess whether it continues to serve the best interests of the Company and its stockholders.

Retirement Policy. Members will be expected to retire from the Board immediately after the first Annual Meeting of Shareholders following attainment of age 72, although exceptions may be made annually on a case-by-case basis upon a determination by the Board, in consultation with the Nominating and Corporate Governance Committee.

Director Compensation and Performance

Compensation Policy and Annual Compensation Review. It is the policy of the Board to provide independent directors with compensation that fairly compensates them for their service as a director of a company of ISG's size and nature. Proposed changes in Board compensation will initially be reviewed by the Compensation Committee, but any changes in the compensation of directors shall require the approval of the Board. The Compensation Committee will periodically review the status of Board compensation in relation to other comparable companies and responsibilities and risks of Board service, as well as other factors

deemed appropriate by the Committee, and may retain third party consultants to assist it in that review.

The Board believes that it is important to align the interests of directors as well as senior management with those of the shareholders and for directors and senior management to hold equity ownership positions in the Company that are meaningful in their individual circumstances. The Board believes that directors and management who have the perspective of an owner are more likely to have the appropriate level of individual commitment to realizing the Company's long-term strategic business and financial objectives, consistent with the overall goal of increasing stockholder value. Therefore, the Board, in consultation with the Compensation Committee will periodically consider whether to set stock ownership guidelines for each of its directors and members of its senior management.

The Board will also set Board compensation in a manner that preserves each member's independence and their respective fiduciary duties owed to all stockholders.

Annual Performance Review. On an annual basis, the Board and each Committee will conduct a self-evaluation of its performance. Annually, a portion of the agenda of at least one Board meeting will be devoted to discussing Board and Committee effectiveness. This discussion will be focused on the Board's contribution as a whole and will identify specific areas in which improvements should be made. The Board may also conduct individual peer reviews of Board members, which may be anonymous and confidential.

Transactions with Directors or their Affiliates. Except for employment arrangements with the CEO and other management directors, the Company shall not engage in transactions with directors or their affiliates if a transaction would cast into doubt the independence of a director, present the appearance of a conflict of interest or impropriety, or is otherwise prohibited by law, rule or regulation. This includes, directly or indirectly, any extension, maintenance or renewal of an extension of credit to any director or member of management of the Company.

This prohibition also includes significant business dealings with directors or their affiliates, substantial charitable contributions to organizations in which a director is affiliated, and significant consulting contracts with, or other indirect forms of compensation to, a director. Any waiver of this policy may be made only by the disinterested members of the Board and must be promptly disclosed to the Company's stockholders. If a director has a personal interest in a matter before the Board, the director will disclose the interest to the Board, excuse himself or herself from discussion on the matter and not vote on the matter.

Board Meetings and Functioning of the Board

Schedule and Attendance. The Board should have at least five regularly scheduled meetings per year. In addition, special meetings may be called from time to time by the Chairman, the Secretary or a majority of independent Board members, as warranted. Each year the Board, in consultation with the Chairman and the Nominating and Corporate Governance Committee, will set a Board and Committee meeting schedule for the following year so that directors can appropriately arrange their individual schedules to permit their attendance at Board meetings. Directors are expected to attend all Board meetings and meetings of the Committees

on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their fiduciary duties.

Agendas. The Chairman is responsible to establish the agenda for each Board meeting. Each Board member is encouraged to submit items sufficiently in advance to the Chairman to be considered for the agenda. Board members may also raise subjects that are not on the agenda at any meeting, although due to time constraints members are encouraged to submit proposed agenda items to the Chairman in advance so that the meeting schedule can be planned accordingly. Any proposed agenda item that involves any matter reserved to a Committee in its Charter or by Board delegation should be discussed with the Chair of the applicable Committee in advance of circulation of such agenda to the Board.

Distribution of Board Material. The Board and senior management strongly believe that interactive meetings with two-way dialogue between the Board and management are far more productive than pure presentations by management. Accordingly, background information and other information that is important to the Board's understanding of the Company's business prior to any presentation at the meeting should be distributed to the Board members within a reasonable period of time prior to the Board meeting. The Board is expected to have read all materials distributed in advance of the meeting so that an interactive approach is possible and meaningful.

Board Presentations and Access to Employees and Advisors. The Board encourages senior management to invite to Board meetings officers and other key employees who can provide additional insight into the items being discussed or that senior management believes should be given exposure to the Board. Directors shall have full access to officers and employees of the Company and, as necessary and appropriate, the Company's independent advisers, including legal counsel and independent auditors. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, provide the CEO with a copy of any written communications between a director and an officer or employee of, or adviser to, the Company.

Strategic Planning. At least once a year the Board shall devote the bulk of a meeting to the subject of strategic planning. The timing and agenda of the strategic planning meeting will be determined by the Chairman.

Chairman. As set forth in the Bylaws of the Company, the Chairman (a) shall be chosen from among the directors; (b) shall chair all meetings of the Board and the stockholders; (c) may vote at any meeting of the Board on any matter called to a vote, subject to the legal, fiduciary and governance requirements applicable to all members of the Board; (d) shall set the agenda for meetings of the Board and the stockholders, and shall schedule such meetings to best enable the Board to perform its duties in a responsible and prompt manner; and (e) will be identified publicly as the central point of contact for stockholders and other constituents of the Company to interact with the Board generally.

Meetings of Independent Directors. The non-management directors will meet in an executive session (i.e., outside the presence of management) at each regularly scheduled Board meeting or at such other times as the Board may determine. At each such executive session, a presiding director will be appointed from among the nonmanagement directors prior to the executive session by the Chairman and CEO. Such presiding director need not be the same at each executive session and may rotate. It is expected that the Chairman and CEO will appoint as presiding director the chair of the committee with authority and expertise pertinent to the subject matters to be discussed. If the subjects to be addressed in executive session do not directly pertain to one of the committees, then the CEO will appoint any of the other directors as presiding director on a rotating basis.

Board Interaction With Investors, Media and Others. The Board believes that senior management speaks for the Company. The CEO is responsible for establishing effective communications with the Company's stakeholder groups, i.e., shareholders, customers, employees, community groups, suppliers, creditors, governmental agencies or representatives and business partners. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do so only with the knowledge of senior management and, in most instances, at the request of senior management. The Board deliberates and takes action as a group and acts as a single entity, not as separate individuals.

Communications with Shareholders. Communications with the public, the press, customers, securities analysts and stockholders ordinarily will be managed by the CEO or other management. The Board encourages management to meet periodically with significant investors to discuss the Company's corporate governance practices. Management will report the results of the meetings to the Nominating and Corporate Governance Committee in order that the Board can more readily consider the views of significant investors when the Board shapes its corporate governance practices.

The Board presently invites each member of the Board to attend the Company's annual meeting of stockholders. Based on limited attendance by shareholders, the Board presently does not schedule the annual meeting to coincide with a regularly scheduled Board meeting or require attendance by all Board members. However, the Board is sensitive to shareholder access concerns and will periodically monitor and reassess this policy.

Shareholder Proposals. All shareholder proposals properly submitted (under the Company's Bylaws and applicable law or regulation) in connection with the Company's annual proxy statement will be referred to and evaluated by the independent Committee most knowledgeable about the subject matter of the proposal. If no independent Committee with relevant subject matter expertise exists, the proposal will be considered by the Nominating and Corporate Governance Committee. The reviewing Committee may retain counsel or other advisors of its choosing to assist in its evaluation of the proposal. Upon recommendation of the reviewing Committee, the Board will determine whether the shareholder proposal serves the best interests of the Company and its stockholders. If the proposal is required or otherwise appropriate for inclusion in the Company's proxy statement, the Board will include its recommendation and rationale with respect to the proposal in the Company's proxy statement.

Independent Advisors. The Board has express authority, without consulting or obtaining the approval of senior management, to retain and terminate such independent consultants, counselors or advisors to the Board as it may deem necessary or appropriate, at the expense of the Company, including determining the fees and other terms of such retentions or terminations.

Board Committees

Standing Committees. It is the policy of the Company that the Board as a whole consider all major decisions, except as otherwise provided by applicable law or listing standards. As a consequence, the Committee structure of the Board should be limited to those Committees considered to be fundamental to or required for the efficient management of a publicly-owned company.

Consistent with Nasdaq Stock Market listing requirements, the Board will have at all times an Audit Committee, Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of those committees shall be “independent” under the criteria established by the Nasdaq Stock Market and under applicable law.

The responsibilities of all Committees shall be determined from time to time by the Board, as reflected in the respective Committee Charters. Committees shall receive authority exclusively through delegation from the Board through Board resolutions, Committee Charters or as provided by these Guidelines, or as otherwise required by applicable law or listing standards. Committee actions should be ratified by the Board before becoming effective, unless taken pursuant to an express delegation of authority, or as otherwise required by applicable law or listing standards. In addition to the authority granted hereunder or under each Committee’s Charter, each Committee shall have the express authority to retain and terminate independent legal, financial or other advisors as they may deem necessary or appropriate, without consulting or obtaining the approval of senior management, and to obtain appropriate funding from the Company in connection therewith.

Appointment and Term of Service of Committee Members and Chairs. Committee members and Chairs will be nominated by the Nominating and Corporate Governance Committee from time to time with due consideration of the desires of individual directors. The Board will appoint all Committee members taking into consideration the recommendations of the Nominating and Corporate Governance Committee and the Chairman and the CEO. Strong consideration will be given to rotating Committee members and Chairs periodically, but the Board does not believe that rotation should be mandated as a policy.

Committee Charters. Consistent with Nasdaq Stock Market listing requirements, each standing Committee will have a written Charter approved by the Board. The Charters will set forth the purposes and responsibilities of the respective Committees as well as composition and qualifications for Committee membership, structure and operations, and reporting to the Board. The Charters will also provide that each Committee must annually evaluate its performance, including compliance with its Charter. Consistent with Nasdaq Stock Market listing requirements, the Charters will be included on the Company’s website and copies of the Charters will also be periodically published in the Company’s proxy statement or other applicable disclosure document, particularly after material changes have been made to such Charter.

Committee Meetings and Committee Agenda. Each Committee Chair, in consultation with the Committee members, the Chairman and the appropriate senior officers of the Company, will determine the frequency of committee meetings consistent with the Committee's Charter, provided that a majority of committee members may call a meeting of the Committee on which they serve at any time. In addition, the Audit Committee will meet no less than four times per year. In general, Committee meetings should be scheduled well in advance as part of the annual Board and Committee schedule. Each Committee Chair, in consultation with the other members of the committee, the Chairman and senior management, will develop the Committee's agenda for each meeting. The other policies and procedures applicable to Board meetings equally apply to Committee meetings as well.

As reflected in their respective Charters, each Committee shall also meet regularly in executive session without management directors present. In the case of the Audit Committee, this includes separate executive sessions with the independent auditors, the internal audit function and senior management.

Management Succession

CEO Selection. The Board shall select a CEO in a manner that is in the best interests of the Company and its stockholders.

Evaluation of Executive Officers. The Compensation Committee will conduct an annual review of the performance of the CEO, and such other senior executives as it deems appropriate, in accordance with the criteria set forth in its Charter and in light of the goals and objectives of the Company. The Compensation Committee is responsible to set executive officer compensation based on such factors as it deems appropriate, in accordance with its Charter.

Succession Planning and Management Development. The Board believes it is crucial to plan for succession to the position of CEO and certain other senior management positions. To assist the Board in this endeavor, from time to time the CEO will provide the Board with an assessment of senior managers and of their potential to succeed him or her, as well as an assessment of persons considered potential successors to certain senior management positions, in each case, along with a review of any development plans recommended for such individuals. The CEO should, at least annually, make a report to the Board on succession planning. All non-management directors are expected to participate in this management development and succession planning process. The Board will evaluate potential successors to the CEO and these other positions from time to time.

Corporate Responsibility

The Company has set high ethical and professional standards for its directors, officers and employees, which it has codified in its Code of Ethics for Directors, Officers and Employees (the "Code"). In accordance with applicable law and listing standards, the Company shall publish the Code on its website and file it as an exhibit to its Annual Report on Form 10-K. As reflected in that Code, the Board will regularly review such Code and make revisions as appropriate. Each proposal to waive the Company's Code for any director or executive officer

must be approved in advance by the Board and promptly disclosed as required by Nasdaq Stock Market Rules and applicable law.

Annual Assessment of Guidelines

It is the intention of the Board that the foregoing Guidelines provide a framework and basis for the governance of the Company and the Board. The Board recognizes, however, that in order to permit the Company to respond effectively to ever changing developments, the foregoing Guidelines are not intended to be rigid rules. Accordingly, exceptions may be made from time to time upon motion by the Nominating and Corporate Governance Committee adopted by the Board. These Guidelines will be reviewed on an annual basis by the Nominating and Corporate Governance Committee, and the Committee will recommend revisions to these guidelines to the Board as appropriate. Consistent with Nasdaq Stock Market listing requirements, these Guidelines will be included on the Company's website and will also be periodically published in the Company's proxy statement or other applicable disclosure document, as appropriate.