



CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Thoratec Corporation (the “**Company**”) has established the following guidelines (“**Governance Guidelines**”) for the conduct and operation of the Board.

1. BOARD COMPOSITION AND SELECTION

1.1 Size of the Board

The By-laws of the Company specify that the authorized number of directors of the Company shall be not less than five nor more than nine. The Board currently consists of nine authorized directors. The Board presently believes the current size of the Board is appropriate. The Board shall periodically review the size of the Board, which it may adjust to accommodate the availability of suitable candidates and the needs of the Company. Directors shall be elected annually at each annual meeting of shareholders.

1.2 Independence of Directors

It is the policy of the Company that the Board be composed of not less than a majority of independent directors, subject to any exceptions permitted by the Nasdaq Stock Market, Inc. (“Nasdaq”) listing standards. In determining independence, the Board will consider the definition of independence set forth in the Nasdaq listing standards as then in effect, as well as other factors that will contribute to effective oversight and decision-making by the Board.

Either the Corporate Governance and Nominating Committee or the Board will review annually 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 affirmatively determines to be independent based upon the above criteria will be considered independent directors. Disclosure of the names of the independent directors will be included in the Company’s proxy statement.

1.3 Management Directors

The Board anticipates that the Company’s Chief Executive Officer will be nominated to serve on the Board. The Board may also appoint or nominate other members of the Company’s management whose experience and role at the Company are expected to assist the Board in fulfilling its responsibilities. Management directors, including the Chief Executive Officer, will offer to resign from the Board upon their resignation, removal or retirement as an officer of the Company. The Board will, in its sole discretion, determine whether or not to accept such resignation.

1.4 Selection of Chief Executive Officer and Chairman of the Board

The Board will select the Chairman of the Board (“Chairman”) and the Company’s Chief Executive Officer, in the manner that it determines to be in the best interests of the Company’s shareholders.

1.5 Selection of Directors

The Board will be responsible for nominating members for election to the Board by the Company’s shareholders at the annual meeting of shareholders. The Board shall also be responsible for filling vacancies on the Board that may occur between annual meetings of shareholders. The Corporate Governance and Nominating Committee shall be responsible for identifying, screening and recommending to the Board candidates for Board membership. When considering candidates for nomination, the Corporate Governance and Nominating Committee shall also consider the advice and recommendations of the Chief Executive Officer and the shareholders of the Company.

The process for identifying and evaluating nominees to the Board will be initiated by identifying a candidate or candidates who meet the criteria for selection as a nominee and have the specific qualities or skills being sought based on input from members of the Board and, if the Corporate Governance and Nominating Committee deems appropriate, a third-party search firm. These candidates will be evaluated by the Corporate Governance and Nominating Committee by reviewing the candidates’ biographical information and qualifications and checking the candidates’ references, and qualified nominees will be interviewed by at least one member of the Corporate Governance and Nominating Committee. Serious candidates will meet with appropriate members of the Board, and using the input from such interviews and the information obtained by the Corporate Governance and Nominating Committee, the Corporate Governance and Nominating Committee shall evaluate which of the prospective candidates is qualified to serve as a director and whether the Corporate Governance and Nominating Committee should recommend to the Board that the Board nominate, or elect to fill a vacancy, these final prospective candidates. Candidates recommended by the Corporate Governance and Nominating Committee will be presented to the Board for selection to fill a vacancy or as nominees to be presented for election by the shareholders. The invitation to join the Board should be extended by the Chairman.

1.6 Board Membership Criteria

The Corporate Governance and Nominating Committee shall be responsible for assessing the appropriate balance of experience, skills and characteristics required of the Board.

Candidates for director shall be selected on the basis of depth and breadth of experience, wisdom, integrity, ability to make independent analytical inquiries, understanding of the Company’s business environment, the willingness of the candidate to devote adequate time to Board duties, the interplay of the candidate’s experience and skills with those of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

In the case of incumbent directors whose terms of office are set to expire, the Board shall review such directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Board shall also determine whether the nominee is independent for Nasdaq purposes.

1.7 Changes in Board Member Criteria

The Board and the Company wish to maintain a Board composed of members who can productively contribute to the success of the Company. From time to time, the Board may change the criteria for Board membership to maximize the opportunity to achieve this success. When this occurs, existing members will be evaluated according to the new criteria. A director who no longer meets the complete criteria for board membership may be asked to adjust his or her committee assignments or resign from the Board.

1.8 Shareholder Recommendations for Director

The Corporate Governance and Nominating Committee will consider written recommendations for director candidates from shareholders. The Corporate Governance and Nominating Committee will evaluate shareholder-recommended candidates using the same process and the same criteria it uses to evaluate candidates from other sources.

The procedure for submitting any such recommendations from shareholders will be that shareholders should submit the written recommendations to the Corporate Governance and Nominating Committee c/o the Secretary of the Company and should include the following information: (a) all information relating to such candidate that is required to be disclosed pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) the name(s) and address(es) of the shareholder(s) making the recommendation and the number of shares of the Company's Common Stock which are owned beneficially and of record by such shareholder(s); and (c) appropriate biographical information and a statement as to the qualification of the candidate.

1.9 Term Limits

The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide continuity and valuable insight into the Company, its operations and prospects based on their experience with, and understanding of, the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new ideas and viewpoints through the director nomination process described in these Governance Guidelines.

1.10 Limits on Board Memberships; Conflicts of Interest

Directors may not serve on the Boards of more than five other public companies. Directors are expected to avoid any action, position or interest that conflicts with the interests of

the Company or gives the appearance of a conflict. If an actual or potential conflict of interest develops, the director should immediately report the matter to the Chairman of the Board. Any significant conflict must be resolved or the director should resign. Directors must follow the Company's Related Party Transaction Policies and Procedures and must disclose to the Board any transaction that might be deemed an Interested Transaction pursuant to such policy.

1.11 Retirement Age

In general, directors are expected to retire from the Board at age 72, or at the conclusion of the term in which they reach age 72.

1.12 Directors Who Change Their Job Responsibility

A director who retires from his or her present employment or who materially changes his or her position should promptly notify the Chairman of the Board and the Corporate Governance and Nominating Committee. The Board does not believe any director who retires from his or her present employment, or who materially changes his or her position, should necessarily leave the Board.

2. ROLE OF THE BOARD OF DIRECTORS

The Board is selected by the shareholders to provide oversight of, and strategic guidance to, senior management. The core responsibility of a Board member is to fulfill his or her fiduciary duties of care and loyalty and otherwise to exercise his or her business judgment in the best interests of the Company and its shareholders. Service on the Board requires significant time and attention on the part of directors. More specifically, the Board has responsibilities to review, approve and monitor fundamental financial and business strategies and major corporate actions, assess major risks facing the Company and consider ways to address those risks, select and oversee management and determine its composition and oversee the establishment and maintenance of processes and conditions to maintain the integrity of the Company. Directors must participate in Board meetings, review relevant materials, serve on committees and prepare for meetings and discussions with management. Directors are expected to maintain an attitude of constructive involvement and oversight; they are expected to ask relevant, incisive and probing questions and require honest and accurate answers. Directors must act with integrity and are expected to demonstrate a commitment to the company, its values and its business and to long-term shareholder value. Directors are encouraged to attend the Company's annual meeting of shareholders, either in person or telephonically.

3. DIRECTOR ORIENTATION AND EDUCATION

The Corporate Governance and Nominating Committee will coordinate an orientation process for new directors that includes background material on the Company's policies and procedures, meetings with senior management and visits to Company facilities. A majority of the directors is expected to attend a continuing education program related to their responsibilities as a director at least once every two years.

4. DIRECTOR COMPENSATION

The form and amount of director compensation for Board and committee service for non-employee directors shall be reviewed by the Compensation and Option Committee in accordance with the principles set forth in its charter and applicable legal and regulatory guidelines and recommended to the Board for approval. The amount of compensation for non-employee directors and committee members should be consistent with market practices of similarly situated companies and should encourage increased ownership of the Company's stock through the payment of a portion of director compensation in Company stock or options to purchase the Company's stock.

5. BOARD MEETINGS

5.1 Number of Meetings.

The Board expects to have at least four regular meetings each year, generally one in each fiscal quarter. The Board expects to have additional special meetings throughout each year on an as needed basis.

5.2 Attendance.

Board members are encouraged to attend all, and expected to attend not less than seventy-five percent, of the meetings of the Board and committees on which they serve. Directors must notify the Chairman of circumstances preventing attendance at a meeting.

5.3 Preparation and Commitment.

The Company will provide directors with appropriate preparatory materials sufficiently in advance of a meeting to allow for proper consideration, except in unusual circumstances. Directors are expected to rigorously prepare for, attend, and participate in all Board and committee meetings. Each director is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as director.

5.4 Agenda.

The Chairman will establish a schedule of subjects to be discussed during the year (to the extent this can be foreseen) and an agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda at any time. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

5.5 Executive Session.

The independent directors of the Board will meet periodically in executive session but no less than two times per year or such greater number as required by the Nasdaq listing standards. Executive session discussions may include such topics as the independent directors determine. The directors generally shall not take formal action at these sessions, but may make recommendations for consideration by the full Board.

5.6 Committee Reports

At each regular Board meeting, each committee that held a meeting subsequent to the last Board meeting and prior to the current Board meeting will present a brief summary of its committee meeting to the Board, including the principal subjects discussed and the conclusions and actions of the committee. In general, the Chairperson of the appropriate committee will present such report.

5.7 Operating Plan

Every year the Board will review and approve an operating plan for the Company. The Board will also review and approve a strategic plan for the Company periodically.

6. BOARD COMMITTEES

6.1 Number of Committees; Independence of Members

The committee structure of the Board will consist of at least (a) an Audit Committee, (b) a Compensation and Option Committee, and (c) a Corporate Governance and Nominating Committee. The Board may form, merge or dissolve committees as it deems appropriate from time to time. The Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee shall be composed entirely of independent directors, except to the extent allowed under applicable Nasdaq listing standards.

6.2 Committee Charters

All standing committees will operate pursuant to a written charter, which sets forth the responsibilities of the committee and procedures that the committee will follow. Unless otherwise directed by the Board, new committees formed by the Board will develop a written charter delineating its responsibilities. The charters of all committees will be subject to periodic review and assessment by each committee and each committee shall recommend any proposed charter changes to the Board. The charters of the Audit Committee, the Compensation and Option Committee, and the Corporate Governance and Nominating Committee will be publicly available and published on the Company's website.

6.3 Board Committee Membership

The Corporate Governance and Nominating Committee, after due consideration of the interests, independence and experience of the individual directors and the independence and experience requirements of Nasdaq, the rules and regulations of the Securities and Exchange Commission and applicable law, shall recommend to the Board annually the chairmanship and membership of each committee.

6.4 Committee Meetings and Agenda

The committee chairperson, in consultation with committee members, will determine the frequency and length of the meetings of the committee, consistent with any requirements set

forth in the committee's charter. The chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

7. BOARD ACCESS TO MANAGEMENT; USE OF OUTSIDE ADVISORS

Board members shall have complete and open access to the Company's management. It is assumed that Board members will use judgment to ensure that this contact is not distracting to the operations of the Company or to management's duties and responsibilities and that such contact, to the extent reasonably practical or appropriate, will be coordinated with the Chief Executive Officer. Written communications to management should, whenever appropriate, be copied to the Chief Executive Officer.

The Board and each committee shall have the power to hire at the expense of the Company, independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

8. BOARD INTERACTION WITH INSTITUTIONAL INVESTORS, PRESS, CUSTOMERS, ETC.

The Board believes that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or customers to management. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that directors will coordinate such communications with the prior knowledge of management and, in most instances, at the request of management.

9. CHIEF EXECUTIVE OFFICER EVALUATION

The Board should conduct an annual review of the Chief Executive Officer's performance. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and the development of management. The evaluation will be used by the Compensation and Option Committee and Board in the course of its deliberations when considering the compensation of the Chief Executive Officer

10. BOARD ASSESSMENT

The Corporate Governance and Nominating Committee will conduct periodic self-evaluations to determine whether the Board and its committees are functioning effectively. The Corporate Governance and Nominating Committee will receive feedback from all directors and report to the Board with an assessment. The assessment should include an evaluation of (a) the Board's and each committee's contribution as a whole and effectiveness in serving the best interests of the Company and its shareholders, (b) specific areas in which the Board and management believe that the performance of the Board and its committees could be improved, (c) and overall Board composition and makeup. The results of these evaluations should be provided to the Board for further discussion as appropriate.

11. SHAREHOLDER COMMUNICATIONS WITH THE BOARD

Shareholders may communicate directly with the Board by sending a certified or registered letter to any individual director, group of directors or Board committee c/o the Corporate Secretary, Thoratec Corporation, 6035 Stoneridge Drive, Pleasanton, CA 94588 or by sending an email to any of the same individuals or groups at board@thoratec.com. The Corporate Secretary will review the correspondence and forward it to the individual director, group of directors or committee of the Board to whom the communication is directed, as applicable, if the communication is relevant to Thoratec's business and financial operations, policies or corporate philosophy. Communications that are threatening, illegal or similarly inappropriate, and advertisements, solicitations for periodical or other subscriptions, and other similar communications generally will not be forwarded to any director or group of directors.

12. REVIEW OF GOVERNANCE GUIDELINES

The Corporate Governance and Nominating Committee will review and assess the adequacy of these Governance Guidelines periodically and recommend any proposed changes to the Board for approval.

[Adopted by the Thoratec Corporation Board of Directors – December 28, 2007]