

METROPOLITAN HEALTH NETWORKS, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Metropolitan Health Networks, Inc. (the “Company”), acting on the recommendation of the Governance and Nominating Committee, has adopted these Corporate Governance Guidelines (the “Guidelines”) to promote the effective functioning of the Board and its committees (the “Committees”), to promote the interests of shareholders and other stakeholders of the Company, and to ensure a common set of expectations as to how the Board, the Committees, individual directors and management should perform their functions.

The Guidelines are intended to serve as a component of the flexible framework within which the Board, assisted by the Committees, directs the affairs of the Company and not as a set of legally binding obligations. The formal requirements pertaining to the Company’s corporate governance structure can be found in the Company’s Articles of Incorporation, Bylaws and Committee Charters, as amended from time to time. While the Guidelines should be interpreted in the context of applicable laws, regulations and listing requirements, as well as in the context of the Company’s Articles of Incorporation, Bylaws and Committee Charter, they are not intended to establish by their own force any legally binding obligations and/or standards of conduct.

Director Standards and the Board of Directors

1) Director Independence

The Board should, at all times, be comprised of a majority of independent directors.

The Company defines an “independent” director, and determines whether a particular director is independent, in accordance with the New York Stock Exchange (“NYSE”) requirements for independent directors (Sections 303A.01 and 303A.02 of the NYSE Listed Company Manual). The NYSE independence definition includes a series of objective tests such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. However, because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board, with the recommendation of the G&N Committee, is responsible for affirmatively determining as to each independent director that no relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board and the G&N Committee will each review information provided by the directors with regard to each director’s business and personal activities as they may relate to the Company and the Company’s management.

In addition, each member of the Company’s Audit Committee must satisfy the independence standards specified in Rule 10A-3 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Each independent director shall notify the Chairman of the Board and the Chairman of the G&N Committee as soon as practicable of any event, situation, or condition that may affect the Board's evaluation of his or her independence.

2) **Board Membership Criteria**

The G&N Committee is responsible for, among other things, assisting the Board by identifying individuals qualified to become members of the Board and recommending to the Board the director nominees for the next annual meeting of shareholders.

In evaluating potential director candidates, the G&N Committee takes into consideration various criteria such as (i) the appropriate size and diversity of the Company's Board, (ii) the needs of the Company with respect to the particular talents and experience of its directors, (iii) the knowledge, skills and experience of potential candidates, including experience in technology, business, finance, healthcare, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience possessed by other members of the Board, (iv) familiarity with national and international business and healthcare matters, (v) experience in political affairs, (vi) the potential candidate's appreciation for the relationship of the Company's business to the changing needs of society, (vii) experience with accounting rules and practices, including whether the potential candidate qualifies as an "audit committee financial expert" pursuant to SEC rules, (viii) the desire to balance the considerable benefit of continuity with the period injection of the fresh perspective provided by new members, and (ix) whether a candidate provides the Board with a difference of viewpoint, professional or educational background or other similar individual qualities and attributes.

The G&N Committee, from time to time, reviews the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, including such factors as business experience, diversity, and personal skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective Board.

3) **Director Selection Process**

As part of its responsibilities set forth in its Charter, the G&N Committee recommends to the Board candidates for nomination to the Board and Board members for Committee membership. Final approval of the nominations are determined by the full Board.

In identifying director nominees, the G&N Committee first evaluates the current members of the Board willing to continue in service. Current members of the Board with skills and experience that are relevant to the Company's business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective.

The G&N Committee evaluates director candidates nominated by shareholders using the same guidelines and procedures used in evaluating director candidates nominated by other persons.

4) **Term Limits**

The Board does not currently have a policy regarding term limits.

5) **Responsibilities of the Board of Directors**

It is the view of the Board that its primary responsibilities are oversight, counseling and direction to the management of the Company in the interest and for the benefit of the Company's shareholders. The Board believes its detailed responsibilities include:

(a) Selecting, regularly evaluating the performance of, and approving the compensation of the Chief Executive Officer and other senior executives;

(b) Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other senior executives;

(c) Reviewing and, where appropriate, approving the Company's major financial objectives, strategic and operating plans and actions;

(d) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed; and

(e) Overseeing the processes for maintaining the integrity of the Company with regards to its financial statements and other public disclosures, and compliance with law and ethics.

The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Company, the authority and responsibility for managing the business of the Company in a manner consistent with the standards and practices of the Company, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and management are responsible to seek the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Company.

6) **Succession Planning**

A change in executive leadership is inevitable for all organizations and can be a very challenging time. Therefore, it is the policy of the Board to plan for an eventual permanent change in leadership - either anticipated or unanticipated. The Board has adopted a plan which addresses what the Company should consider doing before and should do after the Company eventually determines that it desires and/or needs to secure a new Chief Executive Officer (the "Succession Plan"), whether in the case of an emergency or after the retirement of the Chief Executive Officer. To facilitate such process, the Succession Plan includes policies and principles for Chief Executive Officer selection and performance review. The G&N Committee, in conjunction with the Chief Executive Officer, is responsible for administering the Succession Plan and periodically

recommending to the Board any changes to the Succession Plan which may be necessary or desirable.

7) **Board Size**

The Company's Bylaws set the minimum (currently one) and maximum (currently 11) size for the Company's Board. The Board, from time to time, considers the appropriate Board size based upon then current requirements to oversee successfully the business and affairs of the Company consistent with these guidelines.

8) **Selection of Chairman and Chief Executive Officer**

The Chairman of the Board is required to be a member of the Board and is elected annually by the Board. The Chairman presides at all meetings of the Board of Directors and of the shareholders and performs such other duties as may be assigned by the Board. In the event of a vacancy in the position of Chairman, the Board may fill such vacancy in such time and in such manner as the Board shall determine.

The Company does not have a policy, one way or the other, on whether or not the role of the Chairman and the Chief Executive Officer should be separate or combined. Currently, the positions of Chairman and the CEO are combined under one person. Generally, the CEO, has general and active management, direction and supervision over the business of the Company and over its officers. The CEO is chosen by the Board and holds office until his successor is chosen and qualified, unless he resigns or is removed by the Board.

9) **Lead Independent Director**

On a bi-annual basis, the independent directors shall elect or reaffirm by majority vote a lead independent director (the "Lead Director"). The Lead Director must qualify as an "independent" director as defined in the NYSE Listed Company Manual and Rule 10A-3 promulgated pursuant to the Exchange Act. The primary role of the Lead Director shall be to generally coordinate the activities of the independent members of the Board and to promote open and effective communications among the independent members of the Board and the management of the Company. In furtherance thereof, the Lead Director shall have the duties and responsibilities set forth in the Lead Independent Director Charter of the Company.

10) **Director Compensation**

Only non-management directors receive payment for serving on the Board. The Compensation Committee is charged with reviewing and making recommendations to the Board regarding the appropriate level of compensation paid to directors. As part of a director's total compensation and to create a direct linkage with corporate performance, the Board believes that a portion of the director's annual compensation should be provided as equity. In addition, a portion of the compensation paid to directors is directly linked to the directors' attendance at Board and Committee meetings. All directors,

including directors who are employees of the Company, are reimbursed for travel expenses incurred in connection with their duties as directors. Lastly, when determining the form and amount of director compensation, the Board will critically evaluate the independence of each director including, but limited to, whether the director's fees and emoluments exceed what is customary; whether the Company makes substantial charitable contributions to organizations in which the director is affiliated or the Company has entered into consulting contracts (or provides other indirect forms of compensation to) the director.

11) Independent Advisors

The Board, at its request, can retain the services of one or more independent outside advisors (financial, legal, compensation, etc.) as it considers appropriate, at the Company's expense.

12) Director's Retirement

The Board does not currently have a policy regarding retirement.

13) Limitation of Service on Other Public Company Boards

It is the view of the Board of Directors that directors should not serve on more than three (3) public company boards of directors (including the Company's Board) without the approval of the Board of Directors.

Solely with respect to the Audit Committee, if an Audit Committee member simultaneously serves on the audit committee of more than three (3) public companies (including the Company's Board), the Board must make a determination that such service does not impair the ability of such member to effectively serve on the Company's Audit Committee and provide its approval. Such determination must be disclosed in accordance with Section 303A.07 of the NYSE Listed Company Manual.

Board Relationship and Communications with Management and Shareholders

14) Access to Employees and Board Presentations

The Board may contact and meet with any Company employee, including management. Board members are encouraged to make arrangements to visit Company sites and meet with management. The Company Secretary shall, whenever requested, assist in arranging and facilitating such meetings and site visits. In the ordinary course, directors will inform the Chairman of the Board of the communications and interactions with Company employees.

The Board encourages management to, from time to time, bring executives into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are executives with future potential that the senior management believes should be given exposure to the Board.

15) Informal Updates

Every other Friday, management holds informal telephone conferences with the members of the Board to provide short updates regarding the Company's operations. Attendance by the directors at these conferences is voluntary.

16) Shareholder Communications with Board

The Board of Directors has adopted a Shareholder Communication Policy for shareholders wishing to communicate with various Board committees and individual members of the Board of Directors. Shareholders wishing to communicate with the Board of Directors, Governance & Nominating Committee, and specified individual members of the Board of Directors can send communications to the Board of Directors and, if applicable, to the Governance & Nominating Committee or to specified individual directors in writing c/o Roberto L. Palenzuela, General Counsel and Secretary, Metropolitan Health Networks, Inc., 777 Yamato Road, Boca Raton, Florida 33431. The Company does not screen such mail and all such letters will be forwarded to the intended recipient.

Board Meetings and Materials

17) Scheduling and Selection of Agenda Items for Board Meetings

Regular Board meetings are scheduled in advance typically every other month for a full day. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The Board and its Committees may also take action, from time to time, by unanimous written consent.

Typically, the meetings are held telephonically.

At the direction of the Board member calling the meeting, the Company Secretary should draft the agenda for each meeting and distribute it in advance to the Board. Each director may propose the inclusion of items on the agenda, request the presence of or a report by any member of the Company's management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

18) Executive Sessions

The independent directors of the Board shall, at least quarterly, meet in executive sessions without any management present to consider such matters as they deem appropriate, including, without limitation, to review the report of the independent auditor, performance criteria, performance and compensation of the Chief Executive Officer, succession planning and corporate governance matters.

The Lead Director shall preside over executive sessions. The Lead Director shall also review, approve and coordinate agendas, meeting schedules and activities for executive

sessions. The Lead Director shall also facilitate communication between the directors in attendance, the Chief Executive Officer, and other management. In the absence of the Lead Director, an independent director selected by a majority of independent directors, shall preside over the executive sessions.

The Company will comply with the disclosure requirements of Section 303A.03 of the NYSE Listed Company Manual with regard to executive sessions.

19) Board Material Distributed in Advance

Information that is important to the Board's understanding of the business and its meeting agenda items should be distributed in writing to the Board before the Board meets. Supplemental written materials may be provided to the Board on a periodic basis and at any time upon request of Board members.

As a general rule, materials on specific subjects should be sent to the Board members in advance as it is expected that the members will review such materials prior to the Board meeting. This practice will conserve meeting time and focus discussion time on questions that the Board has about the material.

20) Meeting Attendance

Directors are expected to attend meetings of the Board, and any Committees on which they serve. The Company has adopted a formal written policy regarding attendance by members of the Board of Directors at the Annual Meeting of Shareholders and any special meetings. While members of the Board of Directors are not required to be present, members of the Board of Directors are welcome and encouraged to attend the Annual Meeting of Shareholders and any special meetings.

21) Attendance of Senior Management at Board Meetings

Members of the Company's senior management routinely attend Board meetings and Board committee meetings and, together with other managers, brief the Board and its committees on particular topics. The Board encourages the Company's senior management to offer presentations at such meetings by managers who can provide additional insight into items being considered or who have potential for greater responsibility and should be given exposure to the Board.

22) Director Orientation and Continuing Education

To assist each director continue to understand and discharge its fiduciary duties in a manner that is in the best interests of the Company, the G&N Committee is responsible for recommending best practices for director orientation and director continuing education to the Company, its directors and/or officers.

23) **Performance Self-Evaluation**

The Board, under the direction of the G&N Committee, will seek to perform an annual self-evaluation of its performance. The purpose of such review is to increase the effectiveness of the Board, not to focus on the performance of individual Board members.

Board Committee Matters

24) **Board Committees**

There are currently three standing Committees of the Board: the Audit Committee, the Compensation Committee and the G&N Committee. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances.

The Audit, Compensation and the G&N Committees shall be composed entirely of independent directors.

Each Committee has a written charter, approved by the Board, which describes the Committee's general authority and responsibilities. Each Committee will undertake an annual review of its charter, and will work with the G&N Committee and the Board to make such revisions as are considered appropriate. All Committee charters are available on the Company's Website, www.metcare.com.

Each Committee has the authority to engage outside experts, advisers and counsel to the extent it considers appropriate to assist the Committee in its work.

Each Committee will regularly report to the Board concerning the Committee's activities.

25) **Committee Performance Evaluation**

Each Committee will seek to perform an annual evaluation of its performance, including a review of its compliance with the Committee charter. The purpose of such review is to increase the effectiveness of the Committee, not to focus on the performance of individual Committee members.

26) **Assignment and Rotation of Committee Members**

The G&N Committee is responsible, after consultation with the Chairman of the Board and Chief Executive Officer, and with consideration of the desires of individual Board members, for recommending the assignment of Board members to various Committees. The Board shall appoint the nominees to each of the Board's Committees.

It is the view of the Board that consideration should be given to rotating Committee members periodically at approximately five year intervals, but the Board does not feel that such a rotation should be mandated as policy, since there may be reasons at a given

point in time to maintain an individual director's Committee membership for a longer period.

27) **Frequency and Length of Committee Meetings**

The Chair of each Committee, in consultation with Committee members, will determine the frequency and length of the meetings of each Committee.

28) **Committee Agenda**

The Chair of each Committee, in consultation with the appropriate members of the Committee and management, will develop the Committee's agenda.

Corporate Ethics

29) **Ethics and Conflicts of Interest**

The Board expects all directors, as well as officers and employees, to act ethically at all times and to adhere to the Company's policies set forth in Metropolitan Health Networks Inc.'s Code of Business Conduct and Ethics. The directors are also expected to adhere to the policies set forth in the Company's Conflicts of Interest and Confidentiality Policy. If an actual or potential conflict of interest arises for a director, the director shall promptly inform Company's General Counsel. Any director having a conflict of interest will not cast a vote on a matter related to the conflict of interest or use his or her personal influence to affect a decision on a matter related to the conflict of interest.

30) **Confidentiality**

Each Director should keep confidential and should not, without the prior consent of the Board, disclose any confidential information presented or made available to or discussed by the Board or any committee of the Board, regardless of whether such confidential information was discussed, presented or made available at any formal, informal, special or regular meeting of the Board or any committee of the Board.

31) **Prohibition on Personal Loans**

The Company will not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board member or member of the Company's management.

32) **Fiduciary Duty Owed to All Shareholders**

Each director is expected to represent the interests of all shareholders, and not the interests of a particular shareholder or group of shareholders.

33) **Insider Trading Policy**

The Board expects the directors and officers to at all times adhere to the Company's policy relating to insider trading in Company securities.