

ATRICURE, INC.
CORPORATE GOVERNANCE GUIDELINES

These Corporate Governance Guidelines were adopted by the Board of Directors (the “Board”) of AtriCure, Inc. (the “Company”) on June 7, 2005 and amended on February 8, 2007.

I. COMPOSITION OF THE BOARD OF DIRECTORS

A. Size of the Board

The Bylaws of the Company provide that the Board will establish the number of directors from time to time.

B. Selection of Board Nominees

The Board is responsible for recommending director nominees to the stockholders of the Company (the “Stockholders”) for election. The Board has delegated the screening process to the Nominating and Corporate Governance Committee of the Board (the “Nominating and Corporate Governance Committee”).

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of directors in the context of the current make-up of the Board. This assessment includes issues of judgment, diversity, age and skills (such as understanding of relevant technologies, business and financial background, etc.), in the context of an assessment of the perceived needs of the Board at that point in time.

The Nominating and Corporate Governance Committee considers recommendations for Board candidates submitted by Stockholders using the same criteria it applies to recommendations from directors and members of management. Stockholders may submit recommendations by writing to the committee at AtriCure, Inc., Attn: Chairman of the Nominating and Corporate Governance Committee, 6033 Schumacher Park Drive, West Chester, Ohio 45069.

Invitations to serve as a nominee are extended by the Board itself via the Chairman of the Board or the Chairman of the Nominating and Corporate Governance Committee.

C. Board Independence

The Board shall have a majority of directors that it has affirmatively determined are “independent directors” in accordance with the rules promulgated by the Nasdaq Stock Market, Inc. (“Nasdaq”) and applicable laws and regulations.

D. Commitment and Limits on Other Activities

Directors are expected to limit the number of other boards (excluding non-profits) on which they serve in order to allow adequate time for performance as a director of the Company.

E. Term and Age Limits

As an alternative to term limits, the Nominating and Corporate Governance Committee will formally review each director's continuation on the Board at the expiration of the director's term. The Board also has set an age limit of 75 for directors, provided that directors turning 75 shall be permitted to serve the remainder of their term.

II. **DIRECTOR RESPONSIBILITIES**

The role of the Board is to direct the affairs of the Company, in the interests of the Stockholders, including their interest in optimizing financial returns and the value of the Company over the long term.

A. Board Role

The Board fulfills its role (directly or by delegating certain responsibilities to its committees) by:

1. providing advice and counsel to the Chief Executive Officer and principal senior executives;
2. selecting, regularly evaluating, and, where appropriate, replacing the Chief Executive Officer;
3. overseeing the conduct of the Company's business and strategic plans to evaluate whether the business is being properly managed;
4. reviewing and approving the Company's financial objectives and major corporate plans and actions;
5. reviewing and approving major changes in the appropriate auditing and accounting principles and practices;
6. providing oversight of internal and external audit processes and financial reporting;
7. providing oversight of risk assessment and protection processes and processes designed to promote legal compliance; and
8. performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

B. Care, Candor and Avoidance of Conflicts

The Company's directors recognize their obligation individually and collectively as the Board to pay careful attention and be properly informed. This requires regular attendance at Board meetings and preparation for Board meetings, including the advance review of circulated materials. The directors also recognize that candor and the avoidance of conflicts in fact and in perception are hallmarks of the accountability owed to the Stockholders. Directors have a personal obligation to disclose a potential conflict of interest to the Chairman of the Board prior to any Board decision related to the matter and, if the Chairman in consultation with legal counsel determines a conflict exists or the perception of a conflict is likely to be significant, to recuse themselves from any discussion or vote related to the matter.

III. EXECUTIVE SESSIONS & PRESIDING DIRECTOR

A. Executive Session of Non-Management Directors

The non-management directors of the Board will meet in Executive Session at least three (3) times per year to discuss such topics as the non-management directors determine. "Non-Management" directors are those who are not company officers (as such term is defined in Rule 16a-1(f) under the Securities Act of 1933), and can include directors who do not meet the definition of an independent director under the rules of Nasdaq. Minutes of the Executive Sessions should be kept, describing who participated, the general topics discussed, and such other details as the non-management directors determine.

The non-management directors shall designate from time to time one non-management director to serve as the Presiding Director to chair the Board's Executive Sessions. In addition, the Presiding Director shall advise the Chairman of the Board and, as appropriate, committee chairs with respect to agendas and information needs relating to Board and committee meetings; provide advice with respect to the selection of committee chairs; and perform such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities.

IV. FORMAL EVALUATION OF THE CHIEF EXECUTIVE OFFICER

The Board has delegated to the Compensation Committee of the Board (the "Compensation Committee") the task of evaluating the Chief Executive Officer annually and reporting its recommendations to the Board. The Chairman of the Compensation Committee (together with the Chairman of the Board if the Chairman is an independent director) communicates the Board's conclusions to the Chief Executive Officer.

The evaluation is based on objective criteria including performance of the business, accomplishment of strategic objectives, development of management, etc. The evaluation is used by the Compensation Committee in its recommendation to the Board regarding the Chief Executive Officer's compensation.

V. MANAGEMENT DEVELOPMENT & SUCCESSION PLANNING

The Chief Executive Officer reports at least annually to the Board on the Company's program for management development and on succession planning, which the Board views as closely related issues. In its consideration of these issues, it is the policy of the Board to consider issues related to Chief Executive Officer and senior executive selection and performance.

VI. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

Upon joining the Board, each new director should familiarize himself or herself with the Company's strategic plans, its financial and accounting practices and its internal procedures, and meet with Company management. Directors are expected to continue educating themselves with respect to industry practice, accounting and finance, leadership, crisis management, general management and strategic planning. The Company may, from time to time, offer continuing education programs for directors.

VII. DIRECTOR COMPENSATION

The Compensation Committee is responsible for reviewing and recommending to the Board, on an annual basis, the compensation for directors. The Compensation Committee will consider how the Company's director compensation practices compare with those of public and peer group corporations. Any change in Board compensation will be made upon the recommendation of the Compensation Committee and following discussion and approval by the Board.

Compensation may be paid in the form of cash or equity interests in the Company or such other forms as the Board deems appropriate. Separate compensation may be provided to members of committees of the Board and additional compensation may be provided to the chairs of the Board and committees. Directors who are also employees of the Company shall not receive any additional compensation for their services as directors.

VIII. BOARD AGENDA, MATERIALS, INFORMATION AND PRESENTATIONS

The Chairman of the Board, with input from senior members of management, establishes the agenda for each Board meeting. Each director is free to suggest the inclusion of item(s) on the agenda.

Information and data that is important to the Board's understanding of the business is distributed in writing to the Board generally five or so days before the Board meets, although this is not a strict standard, so as to allow for unusual circumstances. Management should ensure that material is as brief as possible while still providing the desired information.

Presentations on specific subjects are forwarded to the directors in advance so that directors may prepare, Board meeting time may be conserved, and discussion time may be focused. However, it is recognized that there may be occasions when an important issue arises without time for written background materials to circulate or the subject matter is not appropriate for written materials, such that more presentation time will be required.

IX. DIRECTOR ACCESS TO SENIOR MANAGEMENT AND INDEPENDENT ADVISERS

Directors have complete access to senior management and to the Board's advisors. Directors are expected to use good judgment to ensure that this contact is not distracting to the business operation of the Company, and that independent advisors are used efficiently.

X. BOARD INTERACTION WITH INVESTORS, PRESS, CUSTOMERS AND STOCKHOLDERS

Management, and, in particular, the Chief Executive Officer speaks for the Company. The Chairman of the Board and, in certain circumstances, individual directors speaks for the Board. Individual directors may, from time to time at the request of management, meet or otherwise communicate with various constituencies. If comments from the Board are appropriate, however, they should, in most circumstances, come from the Chairman. Directors are expected to take special care in all communications concerning the Company, in light of confidentiality requirements and laws prohibiting insider trading, tipping and avoidance of selective disclosure.

XI. BOARD COMMITTEES

The Board currently has three committees: Audit, Compensation and Nominating and Corporate Governance. Membership on such committees is limited to independent directors. The Board retains discretion to form new committees or disband current committees depending upon the circumstances.

XII. ANNUAL BOARD & COMMITTEE PERFORMANCE EVALUATIONS

The Board conducts an annual self-evaluation of its performance and the performance of its committees. The Nominating and Corporate Governance Committee recommends to the Board and its committees the methodology for such evaluations and oversees its execution.

XIII. CORPORATE GOVERNANCE GUIDELINES

The Nominating and Corporate Governance Committee reviews these Guidelines periodically and recommends amendment to the Board as necessary.

XIV. COMMUNICATING WITH THE BOARD

Stockholders are invited to communicate to the Board or its committees by writing to: AtriCure, Inc., Attn: Chairman of the Board of Directors, 6033 Schumacher Park Drive, West Chester, Ohio 45069.