



**CORPORATE GOVERNANCE GUIDELINES
OF
BELL MICROPRODUCTS, INC.
(Revised August 4, 2005)**

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I. INTRODUCTION

The following principles have been adopted by the board of directors (the “Board”) of Bell Microproducts, Inc. (“Bell Micro or the “Company”) as the company’s Corporate Governance Guidelines (“Guidelines”). These Guidelines, along with the Company’s Certificate of Incorporation and Bylaws and the charters of the Board committees, provide the framework for the governance of Bell Micro. The Guidelines are intended to assist the Board in the exercise of its responsibilities. As the operation of the Board is a dynamic process, these Guidelines will be reviewed periodically and may be changed by the Board from time to time

II. ROLE OF THE BOARD AND MANGEMENT

The Board is responsible for oversight of Bell Micro’s business that is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer (“CEO”). 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 stockholders’ long-term interests are advanced by responsibly addressing the concerns of other stakeholders essential to the Company’s success, including employees, customers, suppliers, the communities in which Bell Micro does business, the government and the public.

III. FUNCTIONS OF THE BOARD

The Board reviews reports by management on the performance of the Company, its plans and prospects, as well as issues facing the Company, during its regularly scheduled meetings (typically four per year) and any special meetings. Directors are expected to prepare for, attend and participate in all scheduled Board and applicable committee meetings. In addition to its general oversight of management, the Board, or through its committees, also performs a number of specific functions, including:

- selecting, evaluating, and approving the compensation of the Company’s CEO and senior executives and overseeing succession planning for these executives;
- reviewing, approving and overseeing fundamental financial and business strategies and major corporate actions;
- reviewing and approving long-term strategic and business plans, overseeing execution and evaluating results of such plans;
- nominating directors, reviewing and structure and operation of the Board and overseeing effective corporate governance;
- assessing major risks facing the Company and reviewing options for their mitigation; and
- assuring processes are in place for maintaining the integrity of the Company, including the integrity of its financial statements, compliance with laws and ethics, the integrity of relationships with customers and suppliers, and relationships with other stakeholders.

IV. SIZE OF BOARD, DIRECTOR QUALIFICATIONS AND SELECTION PROCESS

The Governance/Nominating Committee is responsible for determining the number of directors on the Board based upon the nature and scope of the Company's operations and the need for diversity of Board views. The Company's stockholders elect directors each year at the Annual Meeting of Stockholders. The Governance/Nominating Committee will select nominees and recommend them for election by stockholders and fill any vacancies that may arise between annual stockholder meetings. As part of its selection process, the Governance/Nominating Committee may consider recommendations from other sources of director candidates with diverse backgrounds and experience who will enhance the quality of the Board, serve stockholders' long-term interests and contribute to the Company's overall corporate goals.

The criteria used by the Governance/Nominating Committee to consider and evaluate candidates include several factors:

- The appropriate size and the diversity of the Board,
- The needs of the Board with respect to the particular talents and experience of its directors,
- The knowledge, skills and experience of nominees, including experience in the industry in which the Company operates, finance, management and the knowledge, skills and experience already possessed by other members of the Board,
- Familiarity with domestic and international business matters,
- Age and legal and regulatory requirements,
- Appreciation of the relationship of our business to the changing needs of society; and;
- Desire to balance the benefit of continuity with the periodic injection of the fresh prospective provided by a new member.

The Governance/Nominating Committee will consider the attributes of the candidates and the needs of the Board and will review all candidates in the same manner, regardless of the source of the recommendation.

In selecting nominees, the Governance/Nominating Committee will assess the independence, character and acumen of candidates and will endeavor to collectively establish a number of areas of core competency of the Board, including: business judgment; management; accounting and finance; industry and technology knowledge; leadership; strategic vision; and knowledge of international markets. Directors should possess the highest personal and professional ethics, integrity and values, informed judgment, and sound business experience, and are committed to representing the long-term interests of the Company's stockholders. They must also have an inquisitive and objective perspective, the ability to make independent analytical inquiries, practical wisdom and mature judgment. We endeavor to have a Board representing diverse experience at policy-making levels in various areas that are relevant to the Company's global activities.

Stockholders may also propose nominees for consideration by the Corporate Governance/Nominating Committee by submitting the name(s) and supporting information to:

Corporate Secretary
Bell Microproducts Inc.,
1941 Ringwood Avenue
San Jose, CA 95131

A shareholder who wishes to recommend one or more director must provide a written recommendation to the Secretary of the Company. The written recommendation must include:

- The name and address of the shareholder and the class and number of shares owned by the shareholder,
- With respect to the nominee, the written recommendation must include: name, age, business address, residence address, current principal occupation, five year employment history with employer names and a description of the employer's business, the qualifications of the nominee to be a director and a listing of other Board memberships, if any.

A majority of the directors will be "independent directors" pursuant to SEC and NASDAQ rules. Although the majority of directors must be independent, it is recognized that directors who do not meet the independence standards also make valuable contributions to the Board and to the Company by reason of their experience, knowledge and familiarity with the Company.

Directors must be willing to devote sufficient time to carry out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with his/her service as a director. Directors are expected to attend at least 75% of all Board meetings and the meetings of the Committees that they serve on. Directors are required to limit the number of other boards (excluding non-profit) on which they serve to no more than 5 public company boards (excluding Bell Micro) to ensure that they can meet their commitments to the Company.

The Corporate Governance/Nominating Committee, from time to time, may review the appropriate skills and characteristics required of Board members taking into account the current composition of the Board and the needs of the Company. This assessment should include the areas of core competency established by the Board and should strive for a mix of skills and diverse perspectives (functional, cultural and geographic) that is effective for the Board at that point in time.

The Board anticipates that the Company's CEO will be nominated annually to serve on the Board, and may also serve as Chairman of the Board. The Board may also appoint or

nominate certain other members of the Company's management whose experience and role at the Company are expected to help the Board fulfill its responsibilities.

The Board has established a guideline that directors should leave the Board at the end of their term following their 70th birthday except for the founding director. Also directors will not typically be nominated for election to the Board after they reach the age of 70, which the Board considers to be a generally appropriate retirement age. Additionally, the Board has established a rule requiring that any director who changes job to submit their written resignation to the Corporate Governance/Nominating Committee. The Committee will make recommendations based on the circumstances involved.

V. BOARD COMMITTEES

The Board has established the following committees to assist the Board in discharging its responsibilities: (i) Audit; (ii) Corporate Governance/Nominating; (iii) Compensation. From time to time, the Board may form a new committee or disband a current committee, depending upon the circumstances

The charters of the Audit, the Governance/Nominating and Compensation Committees are published on the Bell Micro website (www.bellmicro.com), and will be mailed to stockholders on written request. The Board is responsible for the appointment of the chair and members of each committee. The committee chairs report the highlights of their meetings to the Board following each meeting of the respective committees.

The number, content, frequency, length and agenda of committee meetings and other matters of committee governance will be determined by each committee in light of the authority delegated by the Board to the committee; the committee's charter, as approved by the Board; and legal, regulatory, accounting or governance principles applicable to that committee's function. Sufficient time to consider the agenda items will be provided. Materials related to agenda items will be sent to committee members sufficiently in advance of the meeting to allow the members to prepare for discussion of the items at the meeting.

Audit Committee

The Audit Committee oversees the financial reports and other financial information provided by the Company to its stockholders and others, the Company's financial policies and procedures and disclosure controls and procedures, the Company's system of internal controls, and the Company's auditing, accounting and financial reporting processes. The committee selects the independent auditors and evaluates their performance.

Governance/Nominating Committee

The Governance/Nominating Committee assists the Board, in matters relating to the governance of Bell Micro, including the nomination of directors, committee memberships and board self-evaluations.

Compensation Committee

The compensation committee oversees the Company's succession policy for the CEO and other executive officers and determines executive compensation for the CEO and other executive officers. The Committee also approves stock compensation to employees.

VI. INDEPENDENCE OF COMMITTEE MEMBERS

The Audit, Governance/Nominating, and Compensation Committees shall consist solely of independent directors as defined by applicable NASDAQ and SEC rules.

VII. SELECTION OF CHAIRMAN AND CEO AND LEAD DIRECTOR

The Board is responsible for selecting the Company's CEO and for selecting the Chairman for the Board. The Board should make this choice in a manner that is best for the Company under all of the circumstances. The roles of the Chairman and CEO may be separate or combined and the Chairman may be either an employee or non-employee director.

If the roles of CEO and Chairman are combined, the Board shall appoint one of the independent directors to serve as Lead Director. The duties of the lead director shall be to chair the executive sessions of the independent directors, to facilitate communications and act a liaison among the independent directors and management, and to be the spokesperson on behalf of the independent directors in matters dealing with the press and public when called upon.

VIII. MEETINGS OF NON-EMPLOYEE DIRECTORS

Non-employee directors shall meet without the presence of management directors as deemed necessary or appropriate.

IX. BOARD MEMBER EVALUATIONS

On an annual basis each Board member will conduct a self evaluation aimed at improving performance. The Governance/Nominating Committee will evaluate the performance of Board members eligible for reelection; addressing performance issues as needed.

X. BOARD MEETINGS AND AGENDA

Board meetings are scheduled in advance typically every quarter. Special meetings may be called as necessary. The meetings are usually held at the Company's headquarters in San Jose, California, but occasionally may be held at another facility in the U.S. or abroad. Information and data that is important to the Board's understanding of business to be discussed at a meeting should be distributed in writing to the Board before the Board meets. As a general rule, materials on specific subjects should be sent to Board members in advance so that Board member's time is focused on discussion and analysis rather than exchange of information. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

The Chairman, in consultation with the Lead Director, shall be responsible for its agenda. The CEO will propose for the Board's approval key topics to be scheduled and discussed during the course of the next year and the Board will be invited to offer its suggestions.

The Chairman 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 CEO or appropriate committee chair at any time. It is the policy of the Board to review major business operations of the Company on a periodic basis, and to review long-term strategic plans and annual operating plans.

The Board encourages management to schedule managers to present material at Board meetings who: (a) can provide additional insight into the topics being discussed because of personal involvement in these areas; or (b) have future growth potential that management believes should be given exposure to the Board. The Board may invite the regular attendance at each Board meeting non-Board members who are in responsible management positions of the Company.

XI. ETHICS AND CONFLICTS OF INTEREST

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities. The Board expects Bell Micro directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising Bell Micro's Standards of Business Conduct. The Board has ensured that Bell Micro maintain an ethics telephone hot line for reporting ethics and code of conduct violations. The hot line is administered by a 3rd party to help assure confidentiality.

If a director becomes involved in activities or interests that conflict or appear to conflict with the interests of the Company and these activities result in an actual or potential conflict of interest, the director is required to disclose such conflict promptly to the Board. The Board will determine an appropriate resolution on a case-by-case basis. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests.

The Company shall not make any personal loans or extensions of credit to directors or executive officers.

XII. REPORTING CONCERNS TO NON-EMPLOYEE DIRECTORS OR THE AUDIT COMMITTEE

Anyone who has a concern about Bell Micro's conduct or about its accounting, internal accounting controls or auditing matters may communicate that concern directly to any non-employee director, or the Audit Committee. Such communications may be confidential or anonymous, and may be e-mailed or submitted in writing to designated addresses, or reported by a phone to a confidential, global, toll-free phone number. All such concerns will be forwarded to the appropriate directors for their review and investigation. The status of all outstanding concerns addressed to the non-employee directors or the Audit Committee will be reported to the directors on a quarterly basis. The non-employee directors or the Audit Committee may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The Company's code of conduct prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

XIII. COMPENSATION OF NON-EMPLOYEE MEMBERS

The Compensation Committee is responsible for approving compensation and benefits, including stock options, for non-employee directors. In discharging this duty, it shall be guided by three goals: compensation should fairly compensate directors for work required on behalf of a company of Bell Micro's size and scope; compensation should align directors' interests with the long-term interests of stockholders; and the structure of compensation should be transparent and easily understandable. As necessary the Compensation Committee shall review non-employee director compensation benefits.

XIV. ANNUAL COMPENSATION REVIEW OF SENIOR MANAGEMENT

The Compensation Committee shall annually approve the goals and objectives for compensating the CEO. That Committee shall evaluate the CEO's performance in light of these goals before setting the CEO's salary, bonus and other incentive and equity compensation. The committee shall also annually approve the compensation structure for the Company's officers, and shall evaluate the performance of the Company's executive officers before approving their salary, bonus and other incentive and equity compensation.

XV. ACCESS TO EMPLOYEES

The Board has complete access to any Bell Micro employee. Non employee directors are encouraged to have contact with employees of the Company with or without senior management present.

XVI. ACCESS TO INDEPENDENT ADVISORS

The Board (as an entity) and each of its committees have the right at any time to retain independent financial, legal or other advisors, with funding provided by the Company.

XVII. DIRECTOR AND OFFICER STOCK OWNERSHIP POLICY

The Board has established that each director and executive officer own stock of the Company, as follows:

Non-Employee Directors:	5,000 shares
CEO:	1 Times Annual Salary worth of Stock
Officers:	.5 Times Annual Salary worth of Stock

Directors and Officers will have five (5) years to achieve the ownership policy. In the case of directors and officers elected on or before March 29, 2004, they should attain the ownership guideline on or before March 29, 2009.

XVIII. AUDITOR ROTATION POLICY

The Audit Committee has established an Auditor Rotation Policy that calls for an annual performance evaluation of the auditors and of their fees. If the results of the evaluation indicate a need to change auditors, the Committee will make this recommendation to the Board.

XVIX. BOARD INTERACTION WITH PUBLIC

The Chief Executive Officer shall serve as the corporation's chief spokesperson. Individual Board members may, from time to time, communicate with various constituencies involved with the corporation. Such activities shall be consistent with corporation policies and are expected to be done at the knowledge of the Chief Executive Officer.

XVIX. MISCELLANEOUS

These Guidelines are in addition to and are not intended to change or interpret any federal or state law, including the General Corporation Law of California.