

Role of the Board

NAS owners elect the Board to oversee management and to assure that shareholder long-term interests are served. Through oversight, review, and counsel, the Board establishes and promotes NAS' business and organizational objectives. The Board oversees the Company's business affairs and integrity, works with management to determine the Company's mission and long-term strategy, performs the annual Chief Executive Officer evaluation, oversees CEO succession planning, establishes internal control over financial reporting, and assesses company risks and strategies for risk mitigation.

The Board recognizes that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other shareholders, including employees, customers, suppliers, and the public.

Board Composition and Selection; Independent Directors

1. **Board Size.** The Board believes 4 to 7 members is an appropriate size based on the Company's present circumstances. The Board periodically evaluates whether a larger or smaller slate of directors would be preferable.
2. **Selection of Board Members.** Currently, the Board of Directors is elected on vote with the owners of the Company. As the Company continues to grow this process will change and eventually the shareholders will nominate and elect board members on an annual basis. The Company's ownership annually reviews the applicable skills and characteristics required of Board nominees in the context of current Board composition and Company circumstances. In making its recommendations they consider, among other things, the qualifications of individual director candidates in light of the Board Membership Criteria described below.
3. **Board Membership Criteria.** The Company's Board on an annual basis determines the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education, and public service. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual Board members, the Board takes into account many factors, including general understanding of marketing, finance, and other disciplines relevant to the success of a large publicly traded company in today's business environment; understanding of the Company's business and technology; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience. In determining whether to recommend a director for re-election, the ownership of the Company also considers the director's past attendance at meetings, participation in and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.
4. **Board Composition – Mix of Management and Independent Directors.** The Board intends that, except during periods of temporary vacancies, a substantial majority of its directors will be independent.
5. **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 valuable insight into the operations and future of the Company 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 viewpoints through the evaluation and nomination process described in these guidelines.
6. **Directors with Significant Job Changes.** The Board believes that any director who retires from his or her present employment, or who materially changes his or her position, should offer to resign from the Board. The Board, and specifically the ownership of the Company, will then evaluate whether the Board should accept the resignation based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new occupational status.

Board Meetings; Involvement of Senior Management and Independent Advisors

7. **Board Meetings – Frequency.** The Board will generally hold 12 monthly regularly scheduled meetings per year and will hold additional special meetings as necessary. Each director is expected to attend both scheduled and special meetings, except if unusual circumstances make attendance impractical.
8. **Board Meetings – Agenda.** The Chairman of the Board, if the Chairman is an independent director, or the CEO will set the agenda for each Board meeting, taking into account suggestions from other members of the Board. The agenda for each Board meeting will be distributed in advance to each director.
9. **Advance Distribution of Materials.** All information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting should be distributed in writing or electronically to all members in advance, whenever feasible and appropriate. Each director is expected to review this information in advance of the meeting to facilitate the efficient use of meeting time. In preparing this information, management should ensure that the materials distributed are as concise as possible, yet give directors sufficient information to make informed decisions. The Board recognizes that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.
10. **Access to Employees.** The Board should have access to Company employees to ensure that directors can ask all questions and glean all information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries. Management is encouraged to invite Company personnel to any Board meeting at which their presence and expertise would help the Board have a full understanding of matters being considered.
11. **Access to Independent Advisors.** The Board and its committees have the right at any time to retain independent outside auditors and financial, legal, or other advisors. The Company will provide appropriate funding, as determined by the Board or any committee, to compensate those independent outside auditors or advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.
12. **Compensation Consultant Independence.** The Compensation Committee (once established) has sole authority to retain and terminate compensation consultants that advise the Compensation Committee, as it deems appropriate, including sole authority to approve the consultants' fees and other retention terms. It is the policy of the Compensation Committee that any compensation consultant retained by the Compensation Committee must be independent of Company management. A consultant satisfying the Company's Compensation Consultant Independence Standards will be considered independent for purposes of this policy.

Communications with Shareholders

13. **Shareholder Communications to the Board.** Shareholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the independent directors as a group, by the following means:
 - **Mail:** National Automation Services, Inc.
Corporate Secretary
National Automation Services, Inc.
2470 St. Rose Parkway Suite 311
Henderson, NV 89074
 - **E-mail:** AskBoard@NationalAutomation.comEach communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Company will initially receive and process communications before forwarding them to the addressee. Communications also may be referred to other departments within the Company. The Company generally will not forward to the directors a communication that it determines to be primarily commercial in nature or related to an improper or irrelevant topic, or that requests general information about the Company.

Compensation

14. **Board Compensation Review.** Generally, the Board believes that the level of director compensation should be based on time spent carrying out Board and committee responsibilities and be competitive with comparable companies. In addition, the Board believes that a significant portion of director compensation should align director interests with the long-term interests of shareholders. Company management should periodically report to the Board how the Company's director compensation practices compare with those of other small public corporations. The Board should make changes in its director compensation practices only upon the recommendation of the Compensation Committee, and following discussion and unanimous concurrence by the Board.
15. **Director Stock Ownership.** The Board believes that, in order to align the interests of directors and shareholders, directors should have a significant financial stake in the Company.

Committees (once established)

16. **Number and Type of Committees.** The Board has two committees (once established): an Audit Committee, and a Compensation Committee. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its responsibilities. Each committee will perform its duties as assigned by the Board in compliance with Company Bylaws and the Committee's charter.
 - **Composition of Committees; Committee Chairpersons.** The Audit and Compensation Committees consist solely of independent directors. The Board is responsible for the appointment of committee members and committee chairpersons according to criteria that it determines to be in the best interest of the Company and its shareholders. The full Board considers periodic rotation of committee members and chairs, taking into account the desirability of rotation of committee members and chair, the benefits of continuity and experience, and applicable legal, regulatory and stock exchange listing requirements.
 - **Committee Meetings and Agenda.** The chairperson of each committee is responsible for developing, together with relevant Company managers, the committee's general agenda and objectives and for setting the specific agenda for committee meetings. The chairperson and committee members will determine the frequency and length of committee meetings consistent with the committee's charter.

Committee duties may be described briefly as follows:

17. **Audit Committee.** The Audit Committee oversees the work of the Company's financial reporting and internal audit processes. The committee is directly responsible for the appointment, compensation, retention, and oversight of the Company's independent auditors.
18. **Compensation Committee.** The Compensation Committee recommends to the Board the compensation of the Chief Executive Officer and determines the compensation of the other executive officers.