

## Corporate Governance Guidelines

BAZAARVOICE, INC.

### CORPORATE GOVERNANCE GUIDELINES

#### THE PRINCIPAL FUNCTIONS OF THE BOARD OF DIRECTORS

**To Review and Approve the Company's Strategic Direction and Annual Operating Plan and Monitor the Company's Performance:** The fundamental role of the members of the Board is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. It is the duty of the Board to oversee the Chief Executive Officer and other senior management in the competent and ethical operation of the Company and to set the strategic direction of the Company. The Board reviews and approves the Company's annual operating plan. On an ongoing basis during the year, the Board monitors the Company's performance against its annual operating plan and against the performance of its peers.

**To Evaluate the Chief Executive Officer:** The Chief Executive Officer meets with the Compensation Committee to develop appropriate corporate goals and objectives for the next year, which are then discussed with the entire Board. At year end, the Compensation Committee shall obtain information from the Board and management to evaluate the performance of the Chief Executive Officer in meeting those goals.

**To Review Management Performance and Compensation:** The Compensation Committee evaluates the compensation plans, policies and programs for officers (as that term is defined in Rule 16a-1 promulgated under the Securities Exchange Act of 1934, as amended, the "**Executive Officers**") and other employees to ensure they are appropriate, competitive and properly reflect the Company's objectives and performance. The Compensation Committee annually reviews and approves the compensation, including equity compensation, for the Chief Executive Officer and the Executive Officers.

**To Review Management Succession Planning:** The Board and the Compensation Committee plan for succession to the position of Chief Executive Officer as well as certain other senior management positions.

**To Advise and Counsel Management:** Advice and counsel to management occurs both in formal meetings of the Board and committees of the Board and through informal, individual director's contacts with the Chief Executive Officer and other members of management. The Board should be composed of individuals whose diverse knowledge, background, experience and judgment are valuable to the Company. The information needed for the Board's decision-making generally will be found within the Company, and members of the Board have full access to management and other employees, as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of management.

**To Monitor and Manage Potential Conflicts of Interests of Management, Board Members, and Stockholders:** All members of the Board must inform the Audit Committee of the Board or the full Board of all types of transactions between them (directly or indirectly) and the Company or any related parties, prior to their conclusion, even if such transactions are in the ordinary course of business. The Audit Committee of the Board shall review and approve all related party transactions for which audit committee approval is required by applicable law or the rules of The Nasdaq Stock Market. The Board should ensure that there is no abuse of corporate assets or unlawful related party transactions.

**To Ensure the Integrity of Financial Information:** The Audit Committee of the Board ensures the integrity of the Company's accounting and financial reporting systems, including the audit of the Company's annual financial statements by the independent auditors, and that appropriate systems of control are in place. The Audit Committee reports to the Board on a regular basis and the Board, upon the recommendation of the Audit Committee, takes such actions as are necessary to ensure the integrity of the Company's accounting and financial reporting systems and that appropriate controls are in place.

**To Monitor the Effectiveness of the Governance Practices under which the Board Operates and Make Changes as Needed:** The Nominating and Governance Committee of the Board shall periodically review and evaluate the

effectiveness of the governance practices under which the Board operates and make changes to such practices as needed.

## **BOARD STRUCTURE AND COMPOSITION**

**Selection and Evaluation of Board Candidates:** The Board shall have a majority of directors who meet the criteria for independence established by applicable law, including the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission, and The Nasdaq Stock Market (each, an "Independent Director"). Each year the Board shall affirmatively determine that each Independent Director meets such standards and has no other material relationship with the Company or its affiliates or any Executive Officer or his or her affiliates that would, in the judgment of the Board, interfere with such director's exercise of independent judgment in carrying out the responsibilities of a director.

The Nominating and Governance Committee of the Board considers and recommends changes in the size of the Board. The Board would consider expanding its size to accommodate outstanding candidates.

The Nominating and Governance Committee will approve all nominees for membership on the Board, including the slate of director nominees to be proposed by the Board to the Company's stockholders for election or any director nominees to be elected or appointed by the Board to fill interim director vacancies on the Board.

The Nominating and Governance Committee will annually oversee the review and evaluation of the Board's performance and effectiveness.

**Orientation of New Directors:** New directors should participate in an orientation process that includes presentations and materials regarding the Company's business and operations, applicable legal compliance issues including antitrust laws, and meetings with key personnel.

**Directors Continued Education:** The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to participate in ongoing education and considers, from time to time, more formal director education programs.

**Selection of Chair and Lead Independent Director:** The Board does not have a policy on whether or not the roles of the Chairperson of the Board and Chief Executive Officer should be separate. The Board believes it should be free to determine what is best for the Company at a given point in time. The Board may designate one of its Independent Directors as the Lead Independent Director, subject to such director accepting such appointment. If so designated, the Lead Independent Director shall be responsible for coordinating activities of the other Independent Directors and performing various other duties as directed by the Board. If the Chairperson of the Board is an employee, the Board shall appoint an Independent Director as the Lead Independent Director, subject to such director accepting such appointment.

**Term:** The Company's Certificate of Incorporation, as amended, provides that the Company's directors shall be divided into three classes, with the classes of directors serving for staggered three-year terms.

The Board does not believe it should establish term limits, because directors who have developed over time increasing insight into the Company and its operations provide an increasing contribution to the Board as a whole.

**Director Responsibilities:** The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. Board members are expected to rigorously prepare for, attend and participate in all board and applicable committee meetings, and to spend the time needed and meet as often as necessary to properly discharge their obligations. Each member of the Board is expected to ensure that other commitments do not materially interfere with the member's service as director.

## **BOARD OPERATIONS AND MEETINGS**

Meetings of the Board are scheduled in advance typically every quarter, for a full day at the Company's headquarters in Austin, Texas, or such other locations as the Board may select from time to time.

The items on the agenda are typically determined by the Chairman of the Board in consultation with the Board and management. Any director may request that an item be included on the agenda.

Information and data that is important to the board's understanding of the business to be conducted at a board or committee meeting is generally distributed in writing to the directors prior to the meeting, so that board meeting time may be conserved and discussion time focused on questions that the directors have about the materials. Information may include summaries, reports and other materials prepared by management and/or third parties. Particularly sensitive subject matters may be discussed at the meeting without advance distribution of written materials.

At meetings of the Board, ample time is scheduled to assure full discussion of important matters. Management presentations are scheduled to permit sufficient Board meeting time to be available for discussion and comments.

The Board's policy is to schedule separate meetings of the Independent Directors to follow each regularly scheduled Board meeting.

In order to facilitate discussion by the Independent Directors about the Company's activities and business, the Independent Directors shall hold at least two regularly scheduled meetings at which only Independent Directors are present (in person or by conference telephone) annually. As appropriate, such meetings shall be scheduled to take place in conjunctions with regularly scheduled meetings of the Board. The Lead Independent Director, if any, will assume the responsibility of chairing the meetings of the Independent Directors and shall bear such further responsibilities which the Board and the Independent Directors as a whole might designate from time to time.

## **BOARD INTERACTION WITH THIRD PARTIES**

**Board Access to Management:** After providing written notice to the Company's Chief Executive Officer, members of the Board shall have complete access to the Company's management and employees. Furthermore, the Board encourages the management to, from time to time, bring managers into meetings of the Board who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

**Board Interaction with Other Parties:** The Board believes that management speaks for the Company.

Individual members of the Board may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that members of the Board would do this with the knowledge of the Chairman of the Board and Chief Executive Officer, and in most instances, only at the request of senior management.

## **COMMITTEES**

The Board has at least the following three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Governance Committee.

All of the members of the Audit, Compensation and Nominating and Governance Committees will meet the criteria for independence established by applicable law, including the rules and regulations of the Securities and Exchange Commission and The Nasdaq Stock Market. The members of these committees will also meet any other membership criteria specified in the respective charters of such committees.

Members of the Audit and Compensation Committees are appointed by the Board upon recommendation by the Nominating and Governance Committee. The Board may appoint chairpersons of the Audit and Compensation Committees upon recommendation of the Nominating and Governance Committee. Members of the Nominating and Governance Committee and the chairperson of the Nominating and Governance Committee are appointed by the members of the Board who are independent as determined in accordance with the rules of The Nasdaq Stock Market.

Each of the Audit, Compensation and Nominating and Governance Committees has its own charter. Such charters set forth the policies and responsibilities of the respective committees in addition to the qualifications for membership on such committees.

The Chair of each committee of the Board will, in consultation with appropriate committee members and members of management, and in accordance with the committee's charter, determine the frequency and length of committee meetings and develop the committee's agenda.

The Board and each committee of the Board shall have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisers and shall have the power to hire independent legal, financial and other advisers as they may deem necessary, without consulting with, or obtaining approval from, management of the Company in advance.

The Board may, from time to time, form new committees as it deems appropriate. The Board may, to the fullest extent permitted by law, delegate any of its functions and responsibilities to a committee of the Board.

## **DIRECTOR COMPENSATION**

The Board believes that compensation for non-employee directors should be comprised of cash compensation and equity in the form of restricted stock grants, and to that end, the Compensation Committee has adopted an Independent Director Compensation Plan. Employee directors shall not be paid for their service on the Board in addition to their compensation as employees. The Compensation Committee will annually review and assess the Independent Director Compensation Plan and any other compensation for members of the Board in accordance with the foregoing guidelines and the Compensation Committee's charter.