

## **BIOFORM MEDICAL, INC.**

### **CORPORATE GOVERNANCE GUIDELINES**

(Effective as of August 16, 2007)

The corporate governance standards established by the Board of Directors (the “**Board**”) of BioForm Medical, Inc. (the “**Company**”) provide a structure within which directors and management can effectively pursue the Company’s objectives for the benefit of its stockholders. To that end, the Board adopted the following Corporate Governance Guidelines.

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## **I. 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.

The Board is scheduled to meet at least once a quarter, and each quarterly meeting of the Board will generally include a strategy discussion.

Annually, the Board reviews and approves yearly goals and operating plans as required for the Company. 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.

The Board stays abreast of political, regulatory and economic trends and developments that may impact the Company's strategic direction.

### **To Evaluate the Chief Executive Officer:**

The Chief Executive Officer meets with the Compensation Committee to develop appropriate goals 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 or the appropriate committee plans 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 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 Corporate 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.

**II. 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.

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

The Board 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 Board will annually review and evaluate 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 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 Chief Executive Officer:**

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. 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.

**III. BOARD OPERATIONS AND MEETINGS**

The Board usually meets at least four times per year, but meets more often if necessary.

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.

Generally, members of the Board receive information in advance of meetings of the Board so they will have an opportunity to prepare for discussion of the items at the meeting. Information may include summaries, reports and other materials prepared by management and/or third parties.

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.

Members of the Board are expected to prepare for and participate in all meetings of the Board and applicable meetings of committees of the Board. Each member of the Board is expected to ensure that other commitments do not materially interfere with the member's service as director. To facilitate participation, directors may attend in person, via telephone conference or via video-conference.

The Board's policy is to have a separate meeting time scheduled for the independent directors.

#### **IV. 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 in most instances, at the request of senior management.

#### **V. COMMITTEES**

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

All of the members of the Audit, Compensation and Nominating and Corporate 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.

Each of the Audit, Compensation and Nominating and Corporate 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.

## **VI. DIRECTOR COMPENSATION**

The Compensation Committee will annually review and recommend to the Board for its approval the cash and equity compensation for members of the Board in accordance with the Compensation Committee's charter.