

CORPORATE GOVERNANCE GUIDELINES
Of
LOCAL.COM CORPORATION
(December 9, 2011)

Local.com Corporation (“Local.com” or “the Company”) operates within a comprehensive plan of corporate governance for the purpose of defining responsibilities, setting high standards of professional and personal conduct and assuring compliance with such responsibilities and standards. Local.com regularly monitors developments in the area of corporate governance. Local.com is committed to good business practices, transparency in financial reporting and the highest level of corporate governance.

Local.com has adopted a set of Corporate Governance Guidelines, including a policy regarding stockholder communication with non-management members of the Board of Directors (the “Board”), as well as specification for director qualification and responsibility.

Role of Board and Management

Local.com’s business is conducted by its employees, managers and officers, under the direction of the chief executive officer (“CEO”) and the oversight of the Board, to enhance the long-term value of the company for its stockholders. 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 the long-term interests of stockholders are advanced by responsibly addressing the concerns of other persons with a stake in Local.com and interested parties including employees, recruits, customers, suppliers, the community, government officials and the public at large.

Director Qualification Standards

The Independent (as defined under the rules of the NASDAQ Stock Market) Board (the “Independent Board”) is responsible for reviewing with the Board, on an annual basis, the appropriate characteristics, skills and experience required for the Board as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current Board members), the Independent Board, in recommending candidates for election, and the Board, in approving (and, in the case of vacancies, appointing) such candidates, take into account many factors, including the ability to make independent analytical inquiries, general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today’s business environment, relevant business experience, understanding of the Company’s business on a technical level, other board service and educational and professional background. Each candidate nominee must also possess fundamental qualities of intelligence, honesty, good judgment, high ethics and standards of integrity, fairness and responsibility. The Board evaluates each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for re-

election, the Independent Board also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

Age and Term Limits

The Board does not believe the age of its members should serve as a factor in eligibility to serve as a member of the Board, subject to adherence to the other director qualification criteria standards set forth above. The Board may reconsider this position from time to time. However, the Board believes that it is important to have a proper balance between consistency and cohesiveness on the Board and new ideas and perspectives, coupled with varied backgrounds, viewpoints and skill sets amongst its Board members to enable Local.com to continue to be innovative and maximize shareholder value. As such the Board has determined that no director first elected after November 8, 2011 will be nominated to serve for more than three terms as a director of this Company, unless such director shall have received the unanimous anonymous vote of support from all other members of the Board, which such vote shall take place prior to the recommendation by the NCCG Committee of its proposed slate of director nominees to the full Board and the annual meeting of stockholders of the Company.

Resignation Guidelines

The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities, except where a conflict of interest exists and with respect to members serving on the Audit Committee, both as described below. However, the Independent Board and the Board will take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors and making its recommendations to the Company's stockholders.

To avoid conflicts of interest, in the event a current Board member receives an invitation to serve on the board of directors of another company, such Board member will first notify the general counsel of the Company to ascertain if any potential conflict of interest exists. If the general counsel determines that a conflict of interest exists and the Board member accepts such board invitation notwithstanding this determination, such Board member will offer his or her resignation from the Board and the remaining members of the Board will determine by majority vote if they wish to accept such resignation.

Due to the demanding nature of service on the Audit Committee, the members of the Audit Committee should not serve on the audit committees of the boards of directors of more than two other public companies at the same time as they are serving on the Audit Committee. Service on more than three audit committees concurrently should trigger a Board determination and proxy disclosure that such simultaneous services does not impair the individual's ability to serve Local.com.

The Board believes that when a member changes his or her employment status, the Board should have an opportunity to ascertain if any potential conflict of interest exists as a result of such change in employment status and whether the change in employment status alters the

assumptions upon which such Board member was nominated to serve on the Board. As such, if a Board member changes his or her employment status, which specifically excludes board service for another company, such Board member will offer his or her resignation from the Board and the remaining members of the Board will determine by majority vote if they wish to accept such resignation.

Director Responsibilities

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees as set forth in the Bylaws and committee charters. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include:

- 1) Overseeing the conduct of the Company's business, to evaluate whether the business is being properly managed;
- 2) Reviewing and, where appropriate, approving the Company's major financial objectives, plan and actions;
- 3) Reviewing and, where appropriate, approving major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles and practices to be used in the preparation of the Company's financial statements;
- 4) Reviewing and, where appropriate, approving major changes in, and determinations under the Company's Corporate Governance Guidelines, Code of Business Conduct and Ethics and other Company policies;
- 5) Reviewing and, where appropriate, approving actions to be undertaken by the Company that would result in a material change in the financial structure of control of the Company, the acquisition or disposition of any business or asset(s) material to the Company or the entry of the Company into any major new line of business;
- 6) Together with the Independent Board, regularly evaluating the performance and approving the compensation of the Chief Executive Officer;
- 7) With the input of the Independent Board and the Chief Executive Officer, regularly evaluating the performance of principal senior executives;
- 8) Planning for succession with respect to the position of the Chief Executive Officer and monitoring management's succession planning for other key executives; and
- 9) Ensuring that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations.

Committees of the Board

The Board has established an Audit Committee and a Nominating, Compensation and Corporate Governance Committee. The current charters and key practices of these committees are

published on the corporate governance section of the Company's website and will be mailed to stockholders upon request.

Director Independence Standards

The Board performs an analysis, at least annually, as to whether each member of the Board is independent. The Board has adopted the definition of "independence" as described under NASDAQ Rule 4200. In addition, members of the Audit Committee are to satisfy the definition of "independence" under Rule 10A-3 of the Securities Exchange Act of 1934. The Company will, however, utilize the phase-in time frames for independence of members of the Audit Committee provided by NASDAQ Rule 4200 and Rule 10A-3 of the Securities Exchange Act of 1934 following its initial public offering.

Director Attendance

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of non-management directors and the independent directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the chairman of the board or the chairman of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.

In furtherance of our objective to provide investors with open lines of communication to the directors, Local.com has adopted a policy that directors will make reasonable efforts to attend annual meetings of stockholders. Directors' attendance at annual meetings can provide investors with an opportunity to communicate with directors about issues affecting the company. In addition, Local.com discloses the number of directors who attend the annual meetings.

Related Party Transactions

Local.com gives careful attention to its review and disclosure of "related party" transactions – namely, transactions between Local.com and its directors or members of senior management, as defined by Item 404 of Regulations S-K of the Securities Act of 1933. Existing related party transactions are reviewed on a biannual basis with the goals of ensuring that such transactions are being pursued in accordance with all of the understandings and commitments made at the time they were previously approved, ensuring that payments being made with respect to such transactions are appropriately reviewed and documented and reaffirming the continuing desirability of and need for each related party arrangement.

Newly proposed related party transactions are fully and carefully reviewed by the independent directors for evaluation and approval. The independent directors have the authority to hire and consult with outside financial, legal and other advisors as they deem appropriate in their evaluation of any such proposed transactions. The information provided to the directors reviewing a transaction must be sufficiently comprehensive so that the Board members can reach informed decisions about related party transactions.

In addition, the Board takes active measures to ensure that the entities providing these related party services are being held to the same standards Local.com would demand of unaffiliated third party service providers and there is a clear and articulable reason for procuring the service from a related party.

Stockholder Communication with the Board

Local.com provides a process for stockholders to send communications to the Board, the non-management members as a group, or any of the directors individually. Stockholders may contact any of our directors, including our non-management directors, by writing to them c/o Office of the Chief Executive Officer, Local.com Corporation, 7555 Irvine Center Drive, Irvine, California 92618. All communications will be compiled by the Office of the Chief Executive Officer and submitted to the Board or the individual directors on a periodic basis.