

## **Corporate Governance Guidelines (amended effective September 17, 2010)**

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### **Purpose**

The Corporate Governance Guidelines (the "Guidelines") of Marchex, Inc. (the "Company") are intended to ensure that the Board of Directors (the "Board") has the necessary practices in place to effectively act as a representative of the stockholders. The Guidelines are also intended to ensure that the Board makes decisions that are independent of management and that the long-term interests of the stockholders are being served. The Company aspires to the highest standards of ethical conduct. These Guidelines offer greater transparency with respect to the decision-making processes of the Board and key committees, and are intended to encourage increased accountability.

### **Membership**

The Board shall consist of a minimum of five members and shall be composed of at least a majority of directors who meet the independence requirements of the Securities and Exchange Commission (the "SEC"), The NASDAQ Stock Market LLC ("Nasdaq"), and the Company's Code of Conduct then in effect. The Board shall periodically evaluate whether the number of members on the Board should be decreased or increased. The members of the Nominating and Governance Committee shall be responsible for identifying and recommending nominees for director positions to the full Board, which shall then submit its recommendations to the stockholders for election. Stockholders may also propose nominees for consideration c/o Marchex, Inc., 520 Pike Street, Suite 2000, Seattle, Washington 98101, Attention: General Counsel.

The directors are elected at each annual meeting of stockholders to serve until their successors have been duly elected and qualified, or until their earlier resignation or removal. In the event of a vacancy, the Board may elect a director to serve until the next annual meeting, upon recommendation of the Nominating and Governance Committee.

The Board may appoint a Chairman of the Board and one or more Vice Chairman of the Board. The Chief Executive Officer ("CEO") of the Company shall act as the Chairman of the Board which the Board believes provides the Company with unified leadership and direction, particularly given the CEO's role in founding the Company and his significant ownership stake. The Chairman and Vice Chairman of the Board, if any, shall have such duties and powers as set forth in the Company's by-laws, as amended from time to time.

### **Vice Chairman**

In addition to the duties and powers as set forth in the Company's by-laws as amended from time to time, the Vice Chairman shall have the following duties and responsibilities: (i) coordinating

and moderating executive sessions of the independent directors of the Board; (ii) advising the Chairman of the Board as to the quality, quantity and timeliness of the flow of information from management that is necessary for the independent directors to effectively and responsibly perform their duties; (iii) acting as the principal liaison between the independent directors and the Chairman of the Board on sensitive issues; and (iv) performing such other duties as the Board may from time to time delegate to the Vice Chairman to assist the Board in the fulfillment of its responsibilities.

### **Determination of Qualifications**

All determinations regarding director independence shall be made by the Board, which shall review such determinations at least once each year. In addition, all determinations regarding financial literacy and qualification as an Audit Committee Financial Expert for purposes of Audit Committee membership shall be made by the Board. The Nominating and Governance Committee is responsible for reviewing with the full Board the skills and characteristics that should be reflected in new directors, and for ensuring that all Board members meet the requirements set forth in that committee's charter.

### **Compensation of Directors**

The Company's directors currently receive cash compensation for their services as members of the Board. Directors are also reimbursed for the expenses they incur in attending meetings of the Board or Board committees. The Company may also grant certain equity awards to its outside directors pursuant to the Company's stock incentive plan. No equity awards will be granted to directors who are Company employees for their services as members of the Board. The Compensation Committee will periodically review the compensation of the Company's independent directors. Any changes will be recommended for consideration by the Board, and shall be adopted only upon the unanimous approval of the Board.

### **Committees of the Board**

The Board has established an Audit Committee, Compensation Committee, and Nominating and Governance Committee to assist the Board with discharging its duties and responsibilities.

The Audit Committee, Compensation Committee and Nominating and Governance Committee shall each be comprised solely of directors who meet the requirements of Nasdaq, the SEC, and other requirements applicable to each such committee. 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 stockholders, after recommendation by the Nominating and Governance Committee.

Each committee will be subject to a formal written charter, which will be published on the Company's website. Each committee shall perform its duties and responsibilities as assigned by the Board in compliance with the Company's by-laws and such committee's charter.

The Board may establish such other committees as it deems necessary or appropriate from time to time.

#### *Audit Committee*

The Audit Committee reviews, with the Company's independent auditors, the scope and timing of the auditors' services, the auditors' report on consolidated financial statements following completion of the audit, and the Company's internal accounting and financial control policies and procedures. In addition, the Audit Committee makes annual recommendations to the Board for the appointment of the Company's independent auditors for the ensuing year.

Each member of the Audit Committee shall be financially literate, in accordance with the audit committee requirements of Nasdaq, and at least one member will have: (i) past employment experience in finance or accounting, (ii) requisite professional certification in accounting, or (iii) other comparable experience or background resulting in the individual being financially sophisticated. At least one member of the Audit Committee shall meet the definition of an Audit Committee Financial Expert, in accordance with the SEC rules and regulations.

#### *Compensation Committee*

The Compensation Committee reviews, evaluates and approves the compensation and benefits of the Company's executive officers and directors, including the compensation of the CEO, and reviews general policy matters relating to compensation and employee benefits. The Compensation Committee also administers the Company's various stock option and other incentive plans.

#### *Nominating and Governance Committee*

The Nominating and Governance Committee identifies individuals qualified to become Board members, recommends to the Board those persons to be nominated by the Board as directors at the annual meeting of stockholders and the composition of Board committees, monitors policies regarding communications with the Board, and oversees matters of corporate governance including the Company's annual Board evaluations, the Company's Code of Conduct, and these Corporate Governance Guidelines.

## **Duties and Responsibilities of the Board**

In carrying out its duties and responsibilities, the Board's policies and procedures shall remain flexible, so that it may be in the best position to react and respond to changing circumstances or conditions. The following offers guidelines regarding the Board's duties and responsibilities:

1. The Board shall exercise its business judgment to act in what it reasonably believes to be the best interests of the Company and its stockholders.
2. The Board shall evaluate the independence of each Board member and shall evaluate any other qualification requirements for committee membership. The Board shall also provide notice of non-compliance of any independence or other qualification requirements to the SEC or Nasdaq, as required by applicable rules and regulations.
3. The Board shall submit its recommendations for directors to the stockholders for election, upon recommendation by the Nominating and Governance Committee. In the event of a vacancy on the Board, the Board may elect a director to serve until the next annual meeting, upon recommendation by the Nominating and Governance Committee.
4. The Board shall appoint and evaluate the performance of the Company's executive officers. The Board shall also plan for the succession of the Company's executive officers.
5. The Board shall appoint the members of the Audit, Compensation and Nominating and Governance Committees, upon recommendation by the Nominating and Governance Committee.
6. The Board will determine the responsibilities of each of the Audit, Compensation and Nominating and Governance Committees from time to time.
7. The Board shall provide general advice and counsel to the Company's senior management team in connection with issues arising during the course of managing the Company's business.
8. The Board shall review, understand and approve the Company's long-term strategic plans, annual operating plans, significant financial and business transactions and other major corporate actions.
9. In managing the Company's overall risk profile, the Board shall assess major risks facing the Company in the course of carrying out its business and options for mitigation.
10. The Board shall ensure that processes are in place for maintaining the Company's integrity, including ensuring the accuracy, integrity and clarity in financial and other disclosures.
11. The Board shall oversee the Company's internal accounting controls for financial reporting and the Company's disclosure controls and procedures.

## **Code of Conduct**

The Board expects its members, as well as the Company's officers and employees, to act ethically at all times. The Company has adopted a Code of Conduct applicable to each of the

Company's officers, directors and employees. The Company expects each officer, director and employee to act in accordance with, and to acknowledge their adherence to, the Company's Code of Conduct. The Board shall not generally permit any waiver from the Code of Conduct for any director or executive officer. Notwithstanding the foregoing, the Company shall disclose any amendments to, or waivers from, any provisions of the Code of Conduct as required by applicable law or regulation.

The Company's Code of Conduct is freely available to stockholders upon request and is published on the Company's website.

### **Code of Ethics**

In addition to the general Code of Conduct, the Company has adopted a Code of Ethics applicable to the Company's CEO, CFO and senior financial officers. The Company expects its CEO, CFO and each senior financial officer to act in accordance with, and to acknowledge their adherence to, the Company's Code of Ethics. The Board shall not generally permit any waiver from the Code of Ethics for the CEO, CFO or any senior financial officer. Notwithstanding the foregoing, the Company shall disclose any amendments to, or waivers from, any provisions of the Code of Ethics as required by applicable law or regulation.

The Company's Code of Ethics is freely available to stockholders upon request and is published on the Company's website.

### **Other Policies and Practices**

#### *Director Orientation and Continuing Education*

The Company's management shall provide orientation materials and arrange orientation meetings for all new directors. This orientation should inform new directors of the Company's business, strategic plans, financial statements and key policies, practices and procedures. Additionally, management shall periodically provide additional materials to all directors on topics that will assist them in discharging their duties and responsibilities.

#### *Indemnification*

The Company maintains liability insurance for its executive officers and directors. Each of its executive officers and directors has also entered into an indemnification agreement with the Company, and the Company's certificate of incorporation and by-laws contain indemnification provisions to the extent permissible under Delaware law.

#### *Loans to Directors and Executive Officers*

The Company shall not make any loans to, or guarantee obligations of, directors, executive officers or family members of directors or executive officers. The only exceptions shall be for

the use of Company credit cards to effect transactions made in the ordinary course of business of the Company or one of its subsidiaries.

#### *Other Board Memberships*

Directors shall advise the Chair of the Nominating and Governance Committee in advance of accepting any directorship with a for-profit entity, to allow for a review of potential conflicts. Absent approval from the Nominating and Governance Committee, no director may serve on more than three other public-company boards (in addition to the Company's Board).

#### *Change in Director's Job Responsibility*

When a director retires from his or her principal occupation or business, or a director's principal occupation or business changes substantially during his or her tenure as a director, the director shall notify the Board of any such changes. The Nominating and Governance Committee should then review each situation and make a recommendation to the Board as to the continued appropriateness of Board membership under the new circumstances.

#### *Board Access to Employees*

Each director shall have complete and open access to the Company's employees in order to ensure that directors can ask all questions necessary to fulfill their duties.

#### *Stockholder Access to the Board*

The Chair of the Board and CEO is responsible for establishing effective communications with the Company's stockholders, customers and partners. It is the policy of the Company that management speaks for the Company. This policy does not preclude members of the Board from meeting with stockholders, but it is suggested that any such meetings be held with the knowledge of and in the presence of management.

#### *Communications with the Board*

The Nominating and Governance Committee has established and will monitor the procedures pursuant to which stockholders and other interested parties can submit comments, questions and concerns to any director or group of directors. The Nominating and Governance Committee may amend such procedures from time to time. All communications to the Board will be handled in a manner consistent with such procedures.

#### *Evaluation of Board Performance*

At least annually, the Board will assess its performance, with the goal of increasing the Board's overall effectiveness. The Nominating and Governance Committee, led by its Chair, will establish and monitor procedures by which such evaluations will be conducted.

## **Meetings**

### **(a) General.**

The Board shall meet at such times as it determines to be necessary or appropriate, but not less than four times per year. A majority of the members of the Board shall constitute a quorum for the transaction of business. The Board shall keep minutes of its proceedings. The minutes of a meeting shall be approved by the Board at its next meeting, shall be available for review, and shall be filed as permanent records with the Secretary of the Company. The Board shall be governed by the provisions contained in the Company's by-laws regarding meetings (including meetings by conference telephone, remote communication or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements. The Board shall be authorized to adopt its own rules of procedure not inconsistent with (i) any provision of these Guidelines, (ii) any provision of the by-laws of the Company, or (iii) applicable law.

Prior to each meeting, the Chair or Secretary, as the case may be, shall circulate the agenda for the meeting. In addition, all information relevant to the Board's understanding of matters to be discussed at such meeting shall be distributed to all members in advance, whenever feasible and appropriate.

As necessary or desirable, the Board may request that members of management, legal counsel or other experts or advisors, be present at meetings of the Board.

Members of the Board are expected to use all reasonable efforts to attend each meeting in person.

### **(b) Executive Sessions of Independent Directors.**

The Company's independent directors shall meet regularly in executive session at which only independent directors are present, but not less than two times per year.

## **Authority**

The Board shall have the funding, resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel, search firms, or other experts, advisers or consultants, as it deems appropriate. The Board shall have unrestricted access to members of management and all information relevant to its responsibilities. The Board shall have the authority to form and delegate responsibilities to subcommittees, as may be necessary or appropriate.

**Publication**

The Board shall make these Guidelines freely available to stockholders on request and shall publish these Guidelines on the Company's website.

**Other**

The Board may at any time modify or amend these Guidelines and the Board's authority and responsibilities set forth herein at any time. The Nominating and Governance Committee will review these Guidelines annually and will recommend changes for review and approval by the Board.