

**FTD GROUP, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

**ADOPTED ON FEBRUARY 7, 2005**

FTD GROUP, INC.  
**Corporate Governance Guidelines**

The Board of Directors (the “**Board**”) of FTD Group, Inc. (the “**Company**”) has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. The Guidelines should be interpreted in the context of all applicable laws and the Company’s Second Amended and Restated Certificate of Incorporation, as amended from time to time (the “**Certificate of Incorporation**”), Amended and Restated Bylaws, as amended from time to time (the “**Bylaws**”) and other corporate governance documents. The Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

These Guidelines are available on the Company’s website at “[www.ftd.com](http://www.ftd.com)” and to any stockholder who otherwise requests a copy. The Company’s Annual Report on Form 10-K will state the foregoing.

## **The Board**

### *Size of the Board*

The Company’s Certificate of Incorporation provides that the number of directors will be fixed from time to time by the Board, but in no event will be less than two or more than ten. The size of the Board should facilitate substantive discussions involving the whole Board in which each director can participate meaningfully. The Nominating and Corporate Governance Committee will periodically review the size of the Board, and determine the size that is most effective in relation to future operations.

### *Status as a “Controlled Company”*

If affiliates of Leonard Green & Partners, L.P. beneficially own more than 50% of the outstanding shares of the Company’s common stock, the Company will be a “controlled company” under the rules of the New York Stock Exchange (the “**NYSE**”). If the Company is a controlled company, it will be exempt from certain independence requirements of the NYSE with respect to the composition of the Board and committees of the Board, including the requirements that a majority of the Board be comprised of independent directors, and that the Compensation Committee and the Nominating and Corporate Governance Committee be comprised solely of independent directors. Accordingly, if the Company is a controlled company, a majority of the Board will not be comprised of independent directors, and its Compensation Committee and Nominating and Corporate Governance Committee will include directors who are not independent, until the “controlled company” exemption is no longer available to the Company, or until and to the extent the Board elects to not use the “controlled company” exemption provided by the NYSE rules.

### *Independence of the Board*

If the Company is not a controlled company as described above, the Board will be comprised of a majority of directors who qualify as independent directors (the “**Independent Directors**”) under the listing standards of the New York Stock Exchange (the “**NYSE**”). No more than two management executives who are employed by the Company or who were employed by the Company in the previous three years may serve on the Board at the same time.

The Nominating and Corporate Governance Committee will review annually the relationships that each director has with the Company (directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of the NYSE. The basis for any determination that a relationship is not material, including any categorical standards adopted in making such determinations, will be published in the Company's annual proxy statement or, if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission.

#### *Separate Sessions of Non-Management Directors and Independent Directors*

The non-management directors will meet in executive sessions without management directors or management present on a regularly scheduled basis, but no less than three times a year. The name of the chair of such meetings will be published along with a means for stockholders to communicate with the non-management directors. The non-management directors will review the Company's implementation of and compliance with the Guidelines and consider such matters as they may deem appropriate at such meetings. Non-management directors are all directors who are not company officers (as that term is defined in Rule 16a-1(f) under the Securities Act of 1933, as amended), including such directors who are not independent by virtue of a material relationship, former status or family membership, or for any other reason.

In addition, if the non-management directors include directors who are not also Independent Directors, the Independent Directors shall also meet separately at least once per year in executive session.

#### *Director Qualification Standards*

The Nominating and Corporate Governance Committee 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 Nominating and Corporate Governance Committee, in recommending candidates for election, and the Board, in approving (and, in the case of vacancies, appointing) such candidates, take into account many factors, which may include 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, experience in the Company's industry and with relevant social policy concerns, 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 Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

#### *Selection of New Directors*

The entire Board will stand for election by the stockholders of the Company each year at the Company's annual meeting. Each year, at the annual meeting, the Board will recommend a slate of directors for

election by the stockholders. In accordance with the Bylaws of the Company, the Board will also be responsible for filling vacancies or newly-created directorships on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the entire Board for Board membership.

#### *Selection of Chairman of the Board*

The Board will select the Chairman of the Board in accordance with the Bylaws.

#### *No Specific Limitation on Other Board Service*

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 with respect to members serving on the Audit Committee, as described below. However, the Nominating and Corporate Governance Committee 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.

Due to the demanding nature of service on the Audit Committee, the members of the Audit Committee may not serve on the audit committees of the board of directors of more than two other public companies at the same time as they are serving on the Audit Committee.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies set forth below.

#### *Directors Who Resign Their Current Positions With Their Company*

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer, such director should submit his or her resignation to the Board, which the Board may accept or reject based on the recommendation of the Nominating and Corporate Governance Committee.

#### *Term Limits*

As each director is subject to election by stockholders on an annual basis, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

#### *Retirement*

It is the general policy of the Company that no director may stand for election to the Board after his or her 75<sup>th</sup> birthday. The Board may, however, make exceptions to this standard, based on the recommendation of the Nominating and Corporate Governance Committee, as it deems appropriate in the interests of the Company's stockholders.

#### *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, plans 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 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 or control of the Company, the acquisition or disposition of any businesses or asset(s) material to the Company or the entry of the Company into any major new line of business;
- (6) regularly evaluating the performance and approving the compensation of the Chief Executive Officer;
- (7) with the input of the Chief Executive Officer and the Compensation Committee, regularly evaluating the performance of principal senior executives;
- (8) planning for succession with respect to the position of 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.

### *Compensation*

The Company's executive officers shall not receive additional compensation for their service as directors. Senior management of the Company will report once a year to the Compensation Committee regarding the status of the Company's non-management director compensation in relation to other U.S. companies of comparable size and the Company's competitors. Such report will include consideration of both direct and indirect forms of compensation to the Company's non-management directors, including any charitable contributions by the Company to organizations in which a non-management director is involved. Following a review of the report, the Compensation Committee will recommend any changes in non-management director compensation to the Board, which changes will be approved or disapproved by the Board after a full discussion.

Director fees are the sole form of compensation that members of the Audit Committee may receive from the Company.

### *Stock Ownership*

The Company encourages directors to purchase shares of the Company's stock. However, the number of shares of the Company's stock owned by any director is a personal decision and, at this time, the Board has chosen not to adopt a policy requiring ownership by directors of a minimum number of shares.

### *Conflicts of Interest*

Directors are expected to avoid any action, position or interest that conflicts with the interests of the Company or gives the appearance of a conflict. If an actual or potential conflict of interest develops, the director should immediately report the matter to the Chairman of the Board. Any significant conflict must be resolved or the director should resign. If a director has a personal interest in a matter before the Board, the director will disclose the interest to the Board, excuse himself or herself from discussion on the matter and not vote on the matter.

### *Board Orientation and Continuing Education of Board Members*

The Company provides new directors with a director orientation program to familiarize them with, among other things, the Company's business, strategic plans, significant financial, accounting and management issues, compliance programs, conflicts policies, the Code of Business Conduct and Ethics, the Guidelines, principal officers, internal auditors and independent auditors.

The Company will make continuing education programs available to directors, and each director is expected to participate in such programs, as management or the Board determines desirable.

### *Interaction with Institutional Investors, the Press and Customers*

The Board believes that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or customers to management. Individual Board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

### *Board Access to Senior Management*

The Board will have complete access to Company management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. Such contact, if in writing, should be copied to the Chief Executive Officer of the Company.

### *Board Access to Independent Advisors*

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to such advisors and such other independent advisors that the Company retains or that the Board considers necessary to discharge its responsibilities.

### *Annual Self-Evaluation*

Following the end of each fiscal year, the Nominating and Corporate Governance Committee will oversee an annual assessment by the Board of the Board's performance. The Nominating and Corporate Governance Committee will be responsible for establishing the evaluation criteria and implementing the process for such evaluation, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company, as well as a review of the

committee structure and an assessment of the Board's compliance with the principles set forth in the Guidelines. The purpose of the review will be to improve the performance of the Board as a unit, and not to target the performance of any individual Board member. The Nominating and Corporate Governance Committee will utilize the results of the Board evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

## **Board Meetings**

### *Frequency of Meetings*

The Board will meet at least four times annually. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

### *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.

### *Attendance of Non-Directors*

The Board encourages the Chairman of the Board or of any committee to bring Company management and outside advisors or consultants from time to time into Board and/or committee meetings to (i) provide insight into items being discussed by the Board which involve the manager, advisor or consultant, (ii) make presentations to the Board on matters which involve the manager, advisor or consultant, and (iii) bring managers with high potential into contact with the Board. Attendance of non-directors at Board meetings is at the discretion of the Board.

### *Agendas*

The Chairman establishes the agenda for each Board meeting with input from management and, as necessary or desired, from the other directors.

### *Advance Receipt of Meeting Materials*

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

## **Committee Matters**

### *Number, Name, Responsibilities and Independence of Committees*

The Board currently has three committees. From time to time, the Board may form a new committee or disband a current committee, depending upon the circumstances. Each committee will perform its duties as assigned by the Board in compliance with the Bylaws and the committee's charter.

The current committees are:

(1) Audit Committee. The Audit Committee reviews the work of the Company's internal accounting and audit processes and independent auditors. The committee has sole authority to appoint and fire the Company's independent auditors and to approve any significant non-audit relationship with the independent auditors.

(2) Compensation Committee. The Compensation Committee reviews and approves the Company's goals and objectives relevant to compensation, stays informed as to market levels of compensation and, based on evaluations submitted by management, recommends to the Board compensation levels and systems for Board members and executive officers and other senior employees other than the Chief Executive Officer that correspond to the Company's goals and objectives. The committee also produces an annual report on executive officer compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

(3) Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for recommending to the Board individuals to be nominated as directors and committee members. This includes evaluation of new candidates as well as evaluation of current directors. This committee is also responsible for developing and recommending to the Board the Guidelines, as well as reviewing and recommending revisions to the Guidelines on a regular basis. This committee also performs other duties as are described in the Guidelines and prepares any disclosure of the nominating process required by applicable rules and regulations.

(4) Executive Committee. The Executive Committee has all of the powers and authority of the Board in the management of the Corporation's business except (i) for adopting, amending or repealing the Bylaws, (ii) as prohibited or limited by the DGCL or applicable SEC or NYSE rules, and (iii) for such power and authority that the DGCL or applicable SEC or NYSE rules require be vested with the Board or other committee of the Board.

### *Assignment and Rotation of Committee Members*

Based on the recommendations of the Nominating and Corporate Governance Committee, the Board appoints committee members and committee chairs according to criteria set forth in the applicable committee charter and such other criteria that the Board determines to be appropriate in light of the responsibilities of each committee. Committee membership and the position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interest of the Company.

Each member of the Audit Committee shall satisfy the independence requirements of the New York Stock Exchange and Exchange Act Rule 10A-3(b)(1), subject to the exemptions set forth in Exchange Act Rule 10A-3(b)(1)(iv). Each member of the Audit Committee must be financially literate, as determined by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment, and at least one member of the Audit Committee must have accounting or

related financial management expertise as determined by the Board in its business judgment. In addition, at least one member of the Audit Committee must. In addition, either at least one member of the Committee shall be an “audit committee financial expert” within the definition adopted by the Securities and Exchange Commission, or the Company must disclose in its periodic reports required under the Exchange Act the reasons why at least one member of the Audit Committee is not an “audit committee financial expert.”

#### *Frequency of Committee Meetings*

Each committee will meet at least two times annually. In addition, special meetings may be called by the Chairman of the committee from time to time as determined by the needs of the business. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

#### *Committee Agendas*

The Chairman of each committee, in consultation with the appropriate members of the Committee, will develop his or her committee’s agenda.

#### *Committee Self-Evaluations*

Following the end of each fiscal year, each committee will review its performance and charter and recommend to the Board any changes it deems necessary.

### **Leadership Development**

#### *Annual Review of Chief Executive Officer*

The Board, with input from the Chief Executive Officer, shall annually establish the performance criteria (including both long-term and short-term goals) to be considered in connection with the Chief Executive Officer’s next annual performance evaluation. At the end of each year, the Chief Executive Officer shall make a presentation or furnish a written report to the Board indicating his or her progress against such established performance criteria. Thereafter, with the Chief Executive Officer absent, the Board shall meet to review the Chief Executive Officer’s performance. The results of the review and evaluation shall be communicated to the Chief Executive Officer by the Chairman of the Board.

#### *Succession Planning*

The Nominating and Corporate Governance Committee works on a periodic basis with the Chief Executive Officer to review, maintain and revise, if necessary, the Company’s succession plan upon the Chief Executive Officer’s retirement and in the event of an unexpected occurrence. The Chief Executive Officer shall report annually to the Board on succession planning for the Chief Executive Officer and senior management positions, including a discussion of assessments, leadership development plans and other relevant factors.

#### *Management Development*

The Board will determine that a satisfactory system is in effect for the education, development and orderly succession of senior and mid-level managers throughout the Company.