



## **Compuware Corporation Board Guidelines on Corporate Governance Issues**

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Compuware is committed to having sound corporate governance principles. Having such principles is essential to maintaining our integrity in the marketplace and ensuring that we are managed for the long-term benefit of our shareholders.

The following Compuware Corporation Board Guidelines on Corporate Governance Issues are only a summary of Compuware policies and practices, as of the date hereof with respect to the matters addressed herein. As such, it necessarily contains abridgements and paraphrasing of Compuware's actual policies and practices as set forth in Compuware's Articles of Incorporation, Bylaws and Board resolutions and/or as imposed by law, rules and regulation, including those of the U.S. Securities & Exchange Commission (SEC) and the NASDAQ stock market. The Guidelines are not intended to supersede or otherwise alter the meaning and intent of Compuware's policies and practices. Prior to reliance on these Guidelines in any particular situation, readers are encouraged to contact Compuware's Investor Relations Department and/or to consult the primary source documents.

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## **Board of Directors: General**

### **The Role of the Board**

Our business affairs are conducted under the direction of our Board of Directors. Our Board strives to ensure the success and continuity of our business in order to maximize shareholder value. The Board also ensures that the company's activities are conducted in a responsible and ethical manner.

The charters of the Board's committees provide the framework under which the company is governed. These charters adhere to the standards defined by the NASDAQ stock market and the SEC. The Board has also adopted a Code of Conduct for non-employee directors. This Code of Conduct and our Board committee charters are posted on the Corporate Governance page on the Company's Investor Relations site and can be accessed at [www.compuware.com](http://www.compuware.com).

### **Board Size**

The number of directors is as specified in the Articles of Incorporation or, if not so specified, no greater than 12 and no less than 1, and the number is determined from time to time by resolution of the Board of Directors.

### **Board Meetings**

Meetings of the Board of Directors are held on a regular basis. The frequency and number of such regular meetings is set by the Board of Directors as, from time to time, in their discretion they deem necessary. At minimum, the Board meets four times per year in conjunction with quarterly reporting obligations in order to satisfy fiduciary requirements.

### **Director Elections**

Except as otherwise provided by statute, the Articles of Incorporation, or Company bylaws, directors are elected at each annual meeting of shareholders and hold office for the term for which each director is elected and qualified, or until his or her death, resignation or removal.

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Except as otherwise provided by the Articles of Incorporation, directors are elected by a plurality of the votes cast at any election.

### **Board Vacancies**

Any newly created directorship and vacancies occurring on the Board of Directors by reason of death, resignation, retirement, disqualification, removal or otherwise is filled by the affirmative vote of a majority of the remaining directors then in office, although less than a quorum. Except as otherwise provided in the Articles of Incorporation, each person so elected is a director for a term of office continuing only until the next election of directors by the shareholders.

### **Board Membership Limits**

The Company does not have a policy limiting the number of other public company Boards of Directors upon which a director may sit. However, sitting on another public company's Board of Directors should not create a conflict of interest or impair the director's ability to provide sufficient time to carry out his or her duties as a director of the Company.

### **Removal of Directors**

A director, directors, or the entire Board of Directors may be removed, with or without cause, by vote of the holders of a majority of the shares entitled to vote at an election of directors, except as otherwise provided by statute or the Articles of Incorporation. Furthermore, in adherence to Compuware's Director's Code of Conduct, by joining or continuing to serve as a director with Compuware, each director agrees to follow the Code and all official policies that may be in force at any given time. Disciplinary action, up to and including removal from the Board, may be taken against anyone who violates any provision of this Code or other corporate policies.

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## **Board of Directors: Independence**

### **Board Independence**

A majority of the Board consists of directors who are, in the business judgment of the Board, "independent" under the rules of the NASDAQ Stock Market.

### **Board Committee Composition**

The Audit, Compensation and Nominating/Governance Committees are comprised of a minimum of three independent directors, within the meaning of Rule 4200(a)(15) of the NASDAQ Stock Market Marketplace Rules.

### **Presiding Director**

The independent directors select a director to serve as presiding director at each regularly scheduled executive session of the Board.

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## **Separation of Chairman and CEO Positions**

The Board believes that having the same person occupy the offices of Chairman of the Board and Chief Executive Officer has served the Company and its shareholders well. The Board does, however, maintain the right to reevaluate this structure if and when it deems necessary.

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## **Board of Directors: New Director Selection/Orientation/Evaluation**

### **Director Selection Process and Qualifications**

In evaluating and determining whether to recommend a person as a candidate for election as a director, the Board considers their qualifications, such as relevant management and/or industry experience; high personal and professional ethics, integrity and values; ability to vigorously support the Company's diversity initiatives; a commitment to representing the long-term interests of our shareholders as a whole; independence pursuant to the rules of the NASDAQ stock market; and an ability and willingness to devote the required amount of time to carrying out their duties and responsibilities as directors.

The Board may employ a variety of methods for identifying and evaluating director nominees. The Board regularly assesses the size of the Board, the need for particular expertise on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Board considers various potential candidates for director, which may come to the Board's attention through current Board members, professional search firms, shareholders or other persons. These candidates are evaluated at regular or special meetings of the Board and may be considered at any point during the year.

### **New Director Orientation**

Management, working with the Board, provides an orientation process for new directors, including background material on the Company, its business plan and its risk profile, and meetings with senior management. Periodically, management prepares additional educational sessions for directors on matters relevant to the Company, its business plan and risk profile and consistent with any applicable NASDAQ Stock Market rules.

### **Board Performance Review**

The Nominating/Governance Committee is responsible for periodically evaluating the performance of the Board of Directors as a group.

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## **Board of Directors: Planning/Oversight Functions**

### **Board Meetings Independent of CEO**

An executive session of the Board is held following each scheduled Board meeting.

### **Board-Approved CEO Succession Plan**

The Nominating/Governance Committee is responsible for developing policies regarding CEO succession and retirement.

### **Board Direct Access to Management**

Directors have full and free access to officers, employees and the books and records of the Company. Any meetings or contact that a director wishes to initiate may be arranged through the Chief Executive Officer, the Secretary or by the director. Directors should use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

### **Board Meetings with Investors and Other Stakeholders**

The Board believes that senior management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, subject to prior consultation with senior management.

### **Board Review of CEO Performance**

The Nominating/Governance Committee is responsible for periodically evaluating the performance of the CEO. The Compensation Committee is responsible for annually reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and evaluating the CEO's performance in light of those goals and objectives.

### **Board Use of Outside Advisors**

Directors are authorized to retain and consult with independent advisors, as they determine necessary and appropriate.

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## **Board of Directors: Director Compensation and Retirement**

### **Board Compensation**

The Board of Directors, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation for services by the directors to the Corporation as directors or officers.

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## **Board Stock Ownership Requirements**

The Board of Directors has determined that it is in the best interest of Compuware for the non-employee directors to have a substantial investment in Compuware common stock. As a result, it is requiring all non-employee directors to have purchased by March 31, 2010 Compuware common stock equaling \$200,000 (minimum purchase price of shares held). Non-employee directors are expected to continue to hold such shares during the remainder of their terms of office.

## **Director Mandatory Retirement Age**

The Board believes that longstanding experience in business, investments and the professions and with the Company has been invaluable to the Company's success. Thus, the Board has not adopted a mandatory retirement age.

## **Director Term Limits**

The Board does not believe that it should establish term limits. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board. As part of its responsibilities, the Nominating/Governance Committee will consider each director's contribution to and continuation on the Board before that director is considered for re-election by the shareholders at each annual meeting.

## **Director Resignation**

Any director may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board or the Secretary of the Corporation. Such resignation takes effect upon its receipt by addressee named above or a subsequent time as set forth in the notice of resignation. Board members should offer to resign from the Board in the event their personal circumstances change significantly (such as retirement, a change in employment, or circumstances which compromise the director's ability to serve the Company). It would then be subject to the Board's discretion to accept or reject the offer of resignation in the best interests of the Company.

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# **General Corporate Governance Profile**

## **Voting Rights of Shareholders**

Each outstanding share having the right to vote is entitled at every meeting of shareholders to one (1) vote on each matter submitted to a vote. A vote may be cast either orally or in writing, but if more than 25 shareholders of record are entitled to vote, then votes are cast in writing signed by the shareholder or the shareholder's proxy. Whenever an action, other than the election of directors, is to be taken at a meeting of shareholders, it is authorized by a majority of the votes cast by such holders present in person or by proxy and entitled to vote unless a greater vote is required by applicable law or by the Articles of Incorporation.