

# **BIOCARDIA, INC.**

## **CORPORATE GOVERNANCE GUIDELINES**

Effective as of November 10, 2016

The following corporate governance guidelines have been approved and adopted by the Board of Directors (the “**Board**”) of BioCardia, Inc. (formerly Tiger X Medical, Inc.) (the “**Company**”) for the purpose of establishing the corporate governance policies pursuant to which the Board intends to conduct its oversight of the business of the Company in accordance with its fiduciary responsibilities.

### **1. Role of the Board**

The role of the Board is to oversee the performance of the chief executive officer (“**CEO**”) and other senior management and to assure that the best interests of stockholders are being served. To satisfy this responsibility, the directors are expected to take a proactive approach to their duties and function as active monitors of corporate management. Accordingly, the directors provide oversight in the formation of the long term strategic, financial and organizational goals of the Company and of the plans designed to achieve those goals. In addition, the Board reviews and approves standards and policies to ensure that the Company is committed to achieving its objectives through the maintenance of the highest standards of responsible conduct and ethics and to assure that management carries out their day-to-day operational duties in a competent and ethical manner.

The Board will provide accountability, objectivity, perspective, judgment and in some cases, specific industry or technical knowledge or experience. Relevant diversity of experience, background and perspective among Board members is desirable, but representation of specific constituencies is not. Much of the administrative work of the Board will be done by Board committees, which should be led by directors who know the Company well.

The day-to-day business of the Company is carried out by its employees, managers and officers, under the direction of the CEO and the oversight of the Board, to enhance the long term value of the Company for the benefit of stockholders. The Board and management also recognize that creating long-term enterprise value is advanced by considering the interests and concerns of other stakeholders, including the Company’s employees, customers, creditors and suppliers as well as the community generally.

The Board understands that effective directors act on an informed basis after thorough inquiry and careful review, appropriate in scope to the magnitude of the matter being considered. The directors know their position requires them to ask probing questions of management and outside advisors. The directors also rely on the advice, reports and opinions of management, counsel and expert advisers. In doing so, the Board evaluates the qualifications of those it relies upon for information and advice and also looks to the processes used by managers and advisors in reaching their recommendations. In addition, the Board has the authority to hire outside advisors at the Company’s expense if it believes doing so is appropriate.

### **2. Selection of Chairman of the Board and CEO**

The Board shall fill the Chairman of the Board and CEO positions based upon the Board’s view of what is in the best interests of the Company. The CEO and Chairman may, but need not be, the same

person. The Board should consider the issue of separation of these positions under the circumstances prevailing at the time.

### **3. Lead Independent Director**

When the positions of CEO and Chairman are not separate, the Board may elect a “Lead Independent Director,” who will have the responsibility to schedule and prepare agendas for meetings of outside directors. The Lead Independent Director, if elected, will communicate with the CEO, disseminate information to the rest of the Board in a timely manner and raise issues with management on behalf of the outside directors when appropriate. In addition, the Lead Independent Director, if elected, may have other responsibilities, including the following:

- Calling meetings of outside directors when necessary and appropriate,
- Being available, when appropriate, for consultation and direct communication with the Company’s stockholders,
- Building a productive relationship between the Board and the CEO,
- Ensuring that the Board fulfills its oversight responsibilities in Company strategy, risk oversight and succession planning, and
- Performing such other duties as the Board may from time to time designate.

### **4. Committees**

The Board has three standing committees: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. The Board will continue to delegate substantial responsibilities to each committee, and each committee should consist solely of independent directors, as defined by the NASDAQ Stock Market, Inc. Marketplace Rules (“**NASDAQ Rules**”), and in the case of the Audit Committee as defined by the rules and regulations of the Securities and Exchange Commission (“**SEC Rules**”). The members of these committees shall also meet the other membership criteria specified in the respective charters for these committees. Additional committees may be formed from time to time as determined by the Board.

### **5. Assignment of Committee Members**

Committees should be appointed (or re-appointed), and chairs of each committee designated, by the full Board, upon recommendation by the Nominating and Corporate Governance Committee, annually. While the composition of the committees of the Board should be looked at each year in making certain that these committees are not stagnant or without fair representation, it is the Board’s belief that continuity of experience in the specific functions of these committees provides a significant benefit to the stockholders and to management.

### **6. Frequency and Length of Committee Meetings**

Each committee chair, in consultation with committee members, will determine the frequency and length of meetings of his or her committee, considering all relevant factors such as the committee’s mandate, nature of current committee business to be discussed and the like. Moreover, the committee chairmen should feel free to call additional committee meetings at times other than the scheduled meetings of the full Board.

## **7. Committee Charters and Agendas**

Each committee shall have its own charter, which will set forth the purpose, membership requirements, authority and responsibilities of the committee. Annually, the chair of each committee should review the existing committee charter and determine, in consultation with the rest of the committee, whether any amendments are required. Committee charters should be within the scope of authority granted by the Board and should be approved by the Board. The chair of the committee, in consultation with appropriate members of management and staff, should develop the overall annual agenda to the extent it can be foreseen. In addition, each committee chair should prepare an agenda prior to each committee meeting and should consult with appropriate members of management for any additional items to be included in the agenda. Any committee of the Board is authorized to engage its own outside advisors at the Company's expense, including legal counsel or other consultants, as required, provided that the committee shall promptly advise the full Board of such engagement.

## **8. Code of Conduct, Conflicts of Interests, Related Person Transactions and Complaints Process**

The Nominating and Corporate Governance Committee shall periodically review and approve the Company's Code of Business Conduct and Ethics, which is applicable to directors, officers and employees; consider questions of possible conflicts of interest of Board members and corporate officers; review actual and potential conflicts of interest (including corporate opportunities) of Board members and corporate officers; and approve or prohibit any involvement of such persons in matters that may involve a conflict of interest or corporate opportunity. Directors may be asked from time to time to leave a Board meeting when the Board is considering a transaction in which the director (or another organization in which the director is a director or officer) has a financial or other interest.

The Audit Committee shall review and approve any proposed related person transactions in compliance with the Company's policies and the NASDAQ Rules and must report material related person transactions to the full Board, monitor compliance with the Company's Code of Ethics for the CEO and Chief Financial Officer (as part of Code of Business Conduct and Ethics) and review and approve the Company's procedures for handling complaints regarding accounting or auditing matters.

## **9. Board Meetings and Agenda Items**

The Board shall have no less than four regularly scheduled meetings each year at which it reviews and discusses leadership continuity, management development, management reports on the performance of the Company, its plans and prospects, as well as more immediate issues facing the Company. The Chairman of the Board (in consultation with the CEO if not the same person) will set the agenda for each Board meeting. Each Board member is free to suggest inclusion of items on the agenda. A representative from the Company's outside counsel should be available to attend Board meetings. The Board will review the Company's long-term strategic plans during at least one Board meeting per year.

## **10. Board Materials Distributed in Advance**

To the extent possible, information and data that is important to the Board's understanding of matters to be discussed at the meeting and the current status of the Company's business should be distributed to the Board a sufficient number of days before the meeting to enable the directors to read and prepare for the meeting.

## **11. Board, Committee and Stockholder Meetings**

Directors are expected to prepare for, attend, and actively participate in all Board and committee meetings. As a general rule, preparation material on specific subjects should be sent to the Board members in advance so that the Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions when the subject matter is too sensitive to be distributed, the subject will have to be introduced at the meeting. The Company encourages, but does not require, directors to attend the annual meeting of stockholders.

## **12. Regular Attendance of Management at Board Meetings**

It is anticipated that certain members of management (*e.g.*, the Chief Financial Officer and Secretary and such other members of the executive staff as the CEO may from time to time designate) will attend Board meetings on a regular basis. Other members of management and staff will attend meetings and present reports from time to time. Specifically, the Board encourages management to schedule managers to be present at Board meetings who can provide additional insight into the items being discussed because of personal involvement in these areas. It is understood that Company personnel and others attending Board meetings may be asked to leave the meeting in order for the Board to meet in executive session.

## **13. Executive Sessions of Independent Directors and Audit Committee**

It is the policy of the Board to regularly have separate meeting times for independent directors without management. Such meetings should be held following regularly scheduled meetings and at such other times as requested by an independent director. The Chairman of the Board or the Lead Independent Director shall preside at executive sessions. Such an executive session shall be held at least twice a year.

In addition, the Audit Committee of the Board should meet periodically with the Company's outside auditors without management present at such times as it deems appropriate.

## **14. Board Access to Company Employees**

Board members should have full access to members of management, either as a group or individually, and to Company information that they believe is necessary to fulfill their obligations as Board members. The directors should use their judgment to ensure that any such contact or communication is not disruptive to the business operations of the Company.

## **15. Board Compensation Review**

The Compensation Committee should conduct an annual review of director compensation. This review will include input from the Company's Human Resources department or a third-party compensation consultant in order to evaluate director compensation compared to other companies of like size in the industry. Any change in director compensation should be approved by the full Board. Ownership of the Company's stock by the directors is encouraged.

## **16. Size of the Board**

The size of the Board is established in accordance with the Company's bylaws. The size of the Board may vary based upon the size of the business and the availability of qualified candidates. Board size should facilitate active interaction and participation by all Board members. The Board will review from time to time the appropriateness of its size.

## **17. Composition of Board**

The Board believes that as a matter of policy there should be a majority of independent directors on the Board. Within that policy, the mix of Board members should provide a range of expertise and perspective in areas relevant to the Company's business.

## **18. Board Definition of "Independence" for Directors**

A director shall be considered "independent" for purposes of serving on the Board if he or she meets the criteria for independence established by the NASDAQ Rules. A director shall be considered "independent" for purposes of serving on a Board committee based on the definition of independence used in that committee's charter, which shall conform to any requirements established for such a committee by the NASDAQ Rules and any applicable SEC Rules.

## **19. Board Selection Process**

The Nominating and Corporate Governance Committee should review on an annual basis, in the context of recommending a slate of directors for stockholder approval, the composition of the Board. Selection of a new director requires the recommendation of a candidate by the Nominating and Corporate Governance Committee to the full Board, which has responsibility for naming new members in the event of a vacancy or expansion of the Board between annual meetings of stockholders.

The Nominating and Corporate Governance Committee will consider both recommendations and nominations for candidates to the Board from stockholders holding at least one percent (1%) of the fully diluted capitalization of the Company continuously for at least 12 months prior to the submission of the recommendations *so long as* such recommendations and nominations comply with the certificate of incorporation and bylaws of the Company and applicable laws, including the SEC Rules.

Stockholders may recommend director nominees for consideration by the Nominating and Corporate Governance Committee by writing to the Secretary of the Company and providing the information required in the Company's bylaws. Following verification of the stockholder status of the person submitting the recommendation, all properly submitted recommendations will be promptly brought to the attention of the Nominating and Corporate Governance Committee. The recommendation must include the candidate's name, home and business contact information, detailed biographical data, relevant qualifications, a signed letter from the candidate confirming willingness to serve, information regarding any relationships between the candidate and the Company and evidence of the recommending stockholder's ownership of Company stock. Such recommendations must also include a statement from the recommending stockholder in support of the candidate, particularly within the context of the criteria for Board membership, including issues of character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest, other commitments and the like and personal references.

Stockholders who desire to nominate persons directly for election to the Board at the Company's annual meeting of stockholders must meet the deadlines and other requirements set forth in the Company's bylaws, applicable federal and state laws, and the SEC Rules. Any vacancies on the Board occurring between the Company's annual meetings of stockholders may be filled by persons selected by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and any director so elected will serve for the remaining term of the class of directors in which the vacancy occurred. The Secretary of the Company will provide a copy of the Amended and Restated Bylaws upon request in writing from a stockholder.

If the Nominating and Corporate Governance Committee determines that an additional or replacement director is required, the Nominating and Corporate Governance Committee may take such measures that it considers appropriate in connection with its evaluation of a director candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nominating and Corporate Governance Committee, the Board or management.

The Nominating and Corporate Governance Committee may propose to the Board a candidate recommended or offered for nomination by a stockholder as a nominee for election to the Board.

After the Nominating and Corporate Governance Committee makes its recommendations to the Board, the Board will have final authority on determining the selection of those director candidates for nomination to the Board.

## **20. Board Membership Criteria**

In its evaluation of director candidates, including the members of the Board eligible for re-election, the Nominating and Corporate Governance Committee will consider: (a) the current size and composition of the Board, (b) the needs of the Board and the respective committees of the Board, (c) such factors as character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest, other commitments and the like, and (d) other factors that the Committee may consider appropriate. The Nominating and Corporate Governance Committee evaluates these factors, among others, and does not assign any particular weighting or priority to any of these factors.

The Nominating and Corporate Governance Committee requires the following minimum qualifications to be satisfied by any nominee for a position on the Board: (a) the highest personal and professional ethics and integrity, (b) proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, (c) skills that are complementary to those of the existing Board, (d) the ability to assist and support management and make significant contributions to the Company's success, and (e) an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities.

## **21. Notifying a Director of Non-Inclusion on a Proposed Slate of Directors**

Any proposal to decrease the size of the Board, or to substitute a new director for an existing director, should be made first by the Nominating and Corporate Governance Committee, then approved by the full Board. After receipt of a recommendation from the Nominating and Corporate Governance Committee, the Chairman of the Board or the Lead Independent Director should notify the affected director of such recommendation prior to the meeting of the Board at which the slate of nominees is proposed to be approved.

## **22. Assessing Board and Committee Performance**

The Nominating and Corporate Governance Committee should establish an annual process for permitting the Board and each committee to conduct an assessment of its performance during the prior year. This assessment should focus on areas in which the Board or its committees believe contributions can be made going forward to increase the effectiveness of the Board or its committees. Each committee and the full Board will consider and discuss the findings of the assessments.

### **23. Annual Election of Directors**

Directors shall be subject to election at the annual meeting of stockholders in accordance with the terms of service specified in the Company's Certificate of Incorporation. The Board shall be classified with three classes of directors. The initial term of office for Class I directors will expire at the first annual stockholders meeting following the completion of the Company's initial public offering; the initial term for Class II directors will expire one year thereafter and the initial term for Class III directors will expire two years thereafter. Subsequently, each director elected at an annual meeting shall serve a term of three years. The Board shall fill vacancies or add new directors as provided in the Company's certificate of incorporation and bylaws.

### **24. Director Orientation and Continuing Education**

Meetings of the Board shall be designed to provide orientation for new directors to assist them in understanding the Company's business as well as an introduction to the Company's senior management. Further, the Company encourages directors to participate in continuing education programs focused on the Company's business and industry, committee roles and responsibilities and legal and ethical responsibilities of directors.

### **25. Formal Evaluation and Compensation of the CEO and Other Executive Officers**

The formal evaluation of the CEO and the other executive officers should be made in the context of annual compensation review by the Compensation Committee, with appropriate input from other Board members, and should be communicated to the CEO by the Chairman of the Board or the Lead Independent Director and the chair of the Compensation Committee. The evaluation should be based on objective criteria, including performance of the business and accomplishment of long-term strategic objectives and annual operating plan performance in accordance with the principles and criteria established by the Compensation Committee. Ownership of the Company's stock by the CEO and other executive officers is encouraged and will be reviewed by the Board.

### **26. Succession Planning**

The Nominating and Corporate Governance Committee, in consultation with the full Board, is primarily responsible for CEO succession planning. In addition, it shall monitor management's succession plans for other key executives. Succession planning can be critical in the event the CEO or other key executives should cease to serve for any reason, including resignation or unexpected disability. In addition, however, the Board believes that establishment of a strong management team is the best way to prepare for an unanticipated executive departure.

### **27. Management Development**

In addition to its responsibilities related to executive succession planning, the Nominating and Corporate Governance Committee shall confer with the CEO to encourage management's employee development programs.

### **28. Board Interaction with Third Parties**

The Board believes that management speaks for the Company. Individual directors may from time to time communicate with various constituencies that are involved with the Company, but it is expected that the directors would do this with the knowledge of management and, in most instances, only

at the request of management. Individual directors shall comply with the Company's External Communications Policy.

In cases where stockholders wish to communicate directly with the non-management directors, messages can be sent to Outside Counsel: Mike Danaher at Wilson Sonsini Goodrich & Rosati. The Outside Counsel shall review all incoming stockholder communications (except for mass mailings, product complaints or inquiries, job inquiries, business solicitations and patently offensive or otherwise inappropriate material) and, if appropriate, route such communications to the appropriate member(s) of the Board or, if none is specified, to the Chairman of the Board.

The Outside Counsel may decide in the exercise of its judgment whether a response to any stockholder communication is necessary and shall provide a report to the Nominating and Corporate Governance Committee on a quarterly basis of any stockholder communications received for which the Outside Counsel has determined no response is necessary.

This procedure for stockholder communications with the non-management directors is administered by the Company's Nominating and Corporate Governance Committee of the Board. This procedure does not apply to (a) communications to non-management directors from officers or directors of the Company who are stockholders, or (b) stockholder proposals submitted pursuant to Rule 14a-8 under the Securities and Exchange Act of 1934, as amended.

**29. Formulation of Strategy**

The Board should provide oversight to management in formulating corporate strategy.

**30. Periodic Review of Guidelines**

The Nominating and Corporate Governance Committee and the Board should review these guidelines no less than annually.