



March 17, 2009

Dear Stockholder:

On behalf of BroadVision, Inc. ("BroadVision"), I cordially invite you to attend the Annual Meeting of Stockholders, which will begin at 10:00 a.m. local time on Thursday, April 30, 2009, at our headquarters located at 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California. At the meeting, stockholders will be asked:

1. To elect the Board of Directors' nominees, Dr. Pehong Chen, James D. Dixon, Robert Lee and François Stieger, to the Board of Directors to serve for the ensuing year and until their successors are elected.
2. To ratify the selection of Odenberg, Ullakko, Muranishi & Co. LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009.
3. To approve the Amended and Restated BroadVision, Inc. 2006 Equity Incentive Plan to, among other things, (i) provide the Board with additional flexibility to approve and effect repricings, exchanges and similar transactions without seeking additional stockholder approval, (ii) increase the aggregate number of shares authorized for issuance under the Plan by 174,807 shares and (iii) to include an "evergreen" provision in the Plan that provides for automatic annual increases in the number of shares authorized for issuance.
4. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The accompanying Notice of Annual Meeting of Stockholders and Proxy Statement describes these proposals in detail.

Our directors and officers hope that as many stockholders as possible will be present at the meeting. Because the vote of each stockholder is important, we ask that you submit your proxy whether or not you plan to attend the meeting. This will not limit your right to change your vote prior to or at the meeting.

We appreciate your interest in BroadVision. To assist us in preparation for the meeting, please submit your proxy at your earliest convenience.

Very truly yours,

/s/ Pehong Chen

DR. PEHONG CHEN

Chairman of the Board, President and Chief Executive Officer

BROADVISION, INC.
1600 Seaport Boulevard
Suite 550, North Building
Redwood City, California 94063

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON APRIL 30, 2009**

TO THE STOCKHOLDERS OF BROADVISION, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of **BROADVISION, INC.**, a Delaware corporation, will be held on Thursday, April 30, 2009, at 10:00 a.m. local time at our headquarters located at 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California for the following purposes:

1. To elect the Board of Directors' nominees, Dr. Pehong Chen, James D. Dixon, Robert Lee and François Stieger, to the Board of Directors to serve for the ensuing year and until their successors are elected.
2. To ratify the selection of Odenberg, Ullakko, Muranishi & Co. LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009.
3. To approve the Amended and Restated BroadVision, Inc. 2006 Equity Incentive Plan to, among other things, (i) provide the Board with additional flexibility to approve and effect repricings, exchanges and similar transactions without seeking additional stockholder approval, (ii) increase the aggregate number of shares authorized for issuance under the Plan by 174,807 shares and (iii) to include an "evergreen" provision in the Plan that provides for automatic annual increases in the number of shares authorized for issuance.
4. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement for the Annual Meeting.

Our Board of Directors has fixed the close of business on March 13, 2009 as the record date for the determination of stockholders entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponement thereof.

By Order of the Board of Directors
/s/ Sandra Adams
SANDRA ADAMS
Secretary and General Counsel

Redwood City, California
March 17, 2009

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

BROADVISION, INC.
1600 Seaport Boulevard
Suite 550, North Building
Redwood City, California 94063

**PROXY STATEMENT FOR
ANNUAL MEETING OF STOCKHOLDERS**

March 17, 2009

INFORMATION CONCERNING SOLICITATION AND VOTING

GENERAL

The Board of Directors of BroadVision, Inc., a Delaware corporation, is soliciting your proxy to vote at the Annual Meeting of Stockholders to be held on April 30, 2009, at 10:00 a.m. local time (the "Annual Meeting"), or at any adjournment or postponement thereof, for the purposes set forth herein. The Annual Meeting will be held at our headquarters located at 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California. Information on how to vote in person at the Annual Meeting is discussed below.

Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our stockholders of record. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice.

We intend to mail the Notice on or about March 17, 2009 to all stockholders of record entitled to vote at the Annual Meeting. We may send you a proxy card, along with a second Notice, on or after March 27, 2009.

SOLICITATION

We will bear the entire cost of solicitation of proxies, including preparation of this proxy statement and mailing of the Notice. Solicitation materials will be made available to banks, brokerage houses, fiduciaries and custodians holding in their names shares of Common Stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, telegram or personal solicitation by our directors, officers or other regular employees. No additional compensation will be paid to our directors, officers or other regular employees for such services.

VOTING RIGHTS AND OUTSTANDING SHARES

Only holders of record of Common Stock at the close of business on March 13, 2009 will be entitled to notice of and to vote at the Annual Meeting. At the close of business on March 13, 2009, we had outstanding and entitled to vote 4,377,094 shares of Common Stock.

Each holder of record of Common Stock on such date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting.

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of the outstanding shares are represented by stockholders present at the meeting in person or by proxy. Votes will be counted by the inspector of election appointed for the meeting, who will separately count "For" and (with respect to proposals other than the election of directors) "Against" votes, abstentions and broker non-votes. (A "broker non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions.) Abstentions and broker non-votes will be counted in determining whether a quorum is present. Abstentions will be counted towards the vote totals for all proposals and will have the same effect as "Against" votes. Broker non-votes have no effect and will not be counted towards the vote totals for any proposal.

VOTING PROCEDURES

Stockholders may either vote “For” all the nominees to the Board of Directors or may abstain from voting for any nominee specified. For each of the other matters to be voted on, stockholders may vote “For” or “Against” or abstain from voting.

Stockholder of Record: Shares Registered in the Stockholder’s Name

Stockholders of record may vote in person at the Annual Meeting or vote by proxy using our online portal, or by a proxy card that you may request or that we may elect to deliver at a later time. Whether or not stockholders plan to attend the meeting, we urge stockholders to vote by proxy to ensure each vote is counted. Stockholders may still attend the meeting and vote in person even if they have already voted by proxy.

To vote in person, stockholders of record should attend the Annual Meeting and will receive a ballot when they arrive.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If the stockholder is a beneficial owner of shares registered in the name of a broker, bank or other agent, the stockholder should have received a Notice containing voting instructions from that organization rather than from BroadVision. Simply follow the voting instructions in the Notice to ensure that your vote is counted. To vote in person at the Annual Meeting, the stockholder must obtain a valid proxy from the broker, bank or other agent. **Without a valid proxy from the record holder, a beneficial owner will not be able to vote in person at the Annual Meeting.** The stockholder should follow the instructions from the broker, bank or other agent included with these proxy materials, or contact the broker, bank or other agent to request a proxy form.

REVOCABILITY OF PROXIES

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with our Secretary at our principal executive office, 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California 94063, a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

STOCKHOLDER PROPOSALS

The deadline for submitting a stockholder proposal for inclusion in our proxy statement and form of proxy for our 2010 annual meeting of stockholders pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is November 17, 2009. Stockholders wishing to submit proposals or director nominations that are not to be included in such proxy statement and proxy must do so no later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of this year’s Annual Meeting. Stockholders are also advised to review our Bylaws, which contain additional requirements with respect to advance notice of stockholder proposals and director nominations.

RESULTS OF VOTING

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in our quarterly report on Form 10-Q for the second quarter of 2009.

PROPOSAL 1

ELECTION OF DIRECTORS

There are four nominees for the eight Board of Director positions presently authorized pursuant to our Bylaws. Proxies will not be voted for a greater number of persons than the four named nominees. Each director to be elected will hold office until the next annual meeting of stockholders and until his successor has been duly elected and qualified, or until such director's earlier death, resignation or removal. Each of the nominees listed below is currently one of our directors and was previously elected by the stockholders. It is our policy to invite nominees for directors to attend the annual meeting. None of the current members of the Board of Directors attended the 2008 annual meeting of stockholders.

Directors are elected by a plurality of the votes properly cast in person or by proxy. The four nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the four nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares will be voted for the election of a substitute nominee proposed by our management. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF EACH NAMED NOMINEE.

NOMINEES

The names of the nominees and a brief biography for each of them are set forth below:

<u>Name</u>	<u>Age</u>	<u>Principal Occupation/ Position Held With The Company</u>
Pehong Chen	51	Chairman, President and Chief Executive Officer
James D. Dixon	65	Formerly an executive with bankofamerica.com
Robert Lee	60	Formerly an executive with Pacific Bell
François Stieger	59	Chief Executive Officer, Intentional Software International Sarl

Pehong Chen has served as our Chairman of the Board, Chief Executive Officer and President since our incorporation in May 1993. Dr. Chen served as Interim Chief Financial Officer during the period between William Meyer's departure in June 2006 and Shin-Yuan Tzou's appointment as Chief Financial Officer in January 2008. From 1992 to 1993, Dr. Chen served as the Vice President of Multimedia Technology at Sybase, Inc., a supplier of client-server software products. Dr. Chen founded and, from 1989 to 1992, served as President of, Gain Technology, Inc., a provider of multimedia applications development systems, which was acquired by Sybase, Inc. Dr. Chen currently serves on the board of directors of SINA.com and UFIDA Software Co., Ltd. He received a B.S. in Computer Science from National Taiwan University, an M.S. in Computer Science from Indiana University and a Ph.D. in Computer Science from the University of California at Berkeley.

James D. Dixon has served as one of our directors since January 2003. Prior to his retirement from Bank of America in January 2002, Mr. Dixon served as an executive with bankofamerica.com. From September 1998 to February 2000, Mr. Dixon was Group Executive and Chief Information Officer of Bank of America Technology & Operations. From 1990 to 1998, before the merger of NationsBank Corporation and BankAmerica Corporation, Mr. Dixon was President of NationsBank Services, Inc. From 1986 to 1990, he also served as Chief Financial Officer for Citizens and Southern Bank/Sovran, a predecessor company to NationsBank. Mr. Dixon holds a B.A. from Florida State University, a J.D. from the University of Florida School of Law, and he is a graduate of the executive M.B.A. program at Stanford University. Mr. Dixon also previously served on the board of directors of CheckFree Corporation, a provider of financial electronic commerce services and products, and Rare Hospitality International, Inc., a restaurant operator and franchisor.

Robert Lee has served as one of our directors since August 2004. Mr. Lee was a corporate Executive Vice President and President of Business Communications Services at Pacific Bell, where he established two new subsidiaries: Pacific Bell Internet Services and Pacific Bell Network Integration. During his 26 year career at Pacific Bell, Mr. Lee managed groups in operations, sales and marketing. Mr. Lee served as Executive Vice President of Marketing and Sales from 1987 to 1992. Mr. Lee serves on the board of directors of Blue Shield of California, which provides health insurance to members in California, and Corinthian Colleges, which operates as a post-secondary education company in North America. Mr. Lee holds a B.S. in Electrical Engineering from the University of Southern California and an M.B.A. from the University of California at Berkeley.

François Stieger has served as one of our directors since August 2006. Mr. Stieger leads Intentional Software's international group as CEO of Intentional Software International Sarl. He is also the President and a board member of Security Tech SA and a board member of Lighthouse SA. Immediately prior to joining Intentional Software International, Mr. Stieger was senior vice president and general manager for Europe, Middle East and Africa for Verisign, the leading provider of critical infrastructure security services for the Internet and telecommunication markets. He held this post since April 2003, and was responsible for Verisign's business throughout that region. Prior to joining Verisign, Mr. Stieger was a partner of Amadeus Capital, a leading European venture capital firm based in London. In 1996, Mr. Stieger established BroadVision's European operations. Under his management through mid 2001, these operations grew to more than 400 employees and US\$104 million annual revenues. He was also personally involved in BroadVision's very successful initial public offering on Nasdaq in June 1996, and its public offering on the Neuer Markt in Frankfurt in November 1999. On a larger scale from 1987-1992, as vice president Mr. Stieger established and managed operations of Oracle Corporation for southern and central Europe. Mr. Stieger is a graduate of the University of Strasbourg's Institute of Technology.

INFORMATION ABOUT THE BOARD OF DIRECTORS

Independence of the Board of Directors

As required under Nasdaq listing standards, a majority of the members of a listed company's board of directors must qualify as "independent," as affirmatively determined by the board of directors. The Board consults with our company counsel to ensure that the Board's determinations are consistent with all relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of Nasdaq, in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his family members, and us, our senior management and our independent registered public accounting firm, the Board affirmatively has determined that three of our current directors are independent directors within the meaning of the applicable Nasdaq listing standards. Dr. Chen, our Chairman, Chief Executive Officer, President and largest stockholder, is not "independent" within the meaning of the applicable Nasdaq listing standards.

As required under applicable Nasdaq listing standards, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present, in conjunction with regularly scheduled Board meetings and otherwise as needed.

Code of Business Ethics and Conduct

We have adopted a Code of Business Ethics and Conduct (the "Code of Conduct") that applies to all of our directors, officers and employees. The text of the Code of Conduct is posted on our website at www.broadvision.com. If we make any substantive amendment to the Code of Conduct or grant any waiver from a provision of the Code of Conduct to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website.

Stockholder Communications with the Board of Directors

Our Board has adopted a formal process by which stockholders may communicate directly with the members of the Board, and stockholders are encouraged to do so. Stockholders interested in communicating with the directors may do so by addressing correspondence to a particular director, or to the Board generally, in our care at 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California 94063. If no particular director is named, letters will be forwarded, depending on the subject matter, to the Chair of the Audit, Compensation or Nominating Committee. Our personnel will not screen or edit such communications and will forward them directly to the intended member of the Board.

BOARD COMMITTEES AND MEETINGS

During the fiscal year ended December 31, 2008, the Board met 6 times. During the fiscal year ended December 31, 2008, each Board member attended 75% or more of the aggregate number of meetings of the Board and of the committees on which he served, held during the portion of the last fiscal year for which he was a director or committee member, respectively.

The Board has an Audit Committee, a Compensation Committee and a Nominating Committee. Copies of the charters of all three of the Board's standing committees are available on our website at www.broadvision.com. Each committee has authority to obtain advice and assistance from consultants and advisors, as it deems appropriate, to carry out its responsibilities. The Board has determined that each member of its committees meets the applicable rules and regulations regarding "independence" and that each member of its committees is free of any relationship that would interfere with his individual exercise of independent judgment with regard to us.

Below is a description of each of these committees.

The Audit Committee

The Audit Committee of the Board of Directors oversees our corporate accounting and financial reporting process. For this purpose, the Audit Committee performs several functions. The Audit Committee evaluates the performance of and assesses the qualifications of the independent auditors; determines and approves the engagement of the independent auditors; determines whether to retain or terminate the existing independent auditors or to appoint and engage new auditors; reviews and approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the auditors on our audit engagement team as required by law; confers with management and the independent auditors regarding the effectiveness of internal control over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; reviews the financial statements to be included in our Annual Report on Form 10-K; and discusses with management and the independent auditors the results of the annual audit and the results of our quarterly financial statements.

The Audit Committee is presently composed of three non-employee directors: Messrs. Dixon (Chairman), Lee and Stieger. The Board has determined that all members of our Audit Committee are independent (as independence is currently defined in Rule 4350(d)(2)(A) of the Nasdaq listing standards). The Board has determined that Mr. Dixon qualifies as an “audit committee financial expert,” as defined in applicable Securities and Exchange Commission (“SEC”) rules. The Board made a qualitative assessment of Mr. Dixon’s level of knowledge and experience based on a number of factors, including his formal education and experience as a chief financial officer for Citizens and Southern Bank/Sovran, a predecessor company to NationsBank.

The Audit Committee is also vested with oversight of corporate governance matters and, in that regard, makes determinations as to all aspects of our corporate governance functions on behalf of the Board and makes recommendations to the Board regarding corporate governance issues. The Audit Committee is responsible for periodically reviewing and assessing our governance principles to determine their adherence to the Code of Conduct, and recommending any changes deemed appropriate to the Board for its consideration.

In 2008, the Audit Committee met 4 times. See “Report of the Audit Committee of the Board of Directors” below.

The Compensation Committee

The Compensation Committee of the Board of Directors reviews and approves our overall compensation strategy and policies. The Compensation Committee reviews and approves corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management; reviews and approves the compensation and other terms of employment of our Chief Executive Officer; reviews and approves the compensation and other terms of employment of the other executive officers; and administers our stock option and purchase plans, pension and profit sharing plans, stock bonus plans, deferred compensation plans and other similar programs. We also have a Non-Officer Option Committee, established in May 1997, which has the power to award stock options to non-officer employees and consultants. The Compensation Committee is presently composed of two non-employee directors: Messrs. Dixon and Lee (Chairman). All members of our Compensation Committee are independent (as independence is currently defined in Rule 4200(a)(15) of the Nasdaq listing standards). The sole member of the Non-Officer Option Committee is Dr. Chen. In 2008, the Compensation Committee met 4 times.

The Nominating Committee

The Nominating Committee makes determinations as to the individuals who are to be nominated for membership to the Board. The Nominating Committee has a long standing practice of considering any qualified director candidates that are recommended by our stockholders. Stockholders who wish to recommend a director candidate for consideration by the Nominating Committee may do so in writing to the Chairman of the Nominating Committee at the following address: BroadVision, Inc., 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California 94063.

If a stockholder wishes the Nominating Committee to consider a director candidate for nomination at our next annual meeting, then our Bylaws require that stockholder to send written notice of the recommendation no sooner than 120 days and no later than 90 days prior to the first anniversary of the preceding year’s annual meeting, which notice is otherwise in accordance with the requirements for stockholder nominations described in our Bylaws. Submissions must include the candidate’s name and sufficient biographical information concerning the candidate, including age, five-year employment history with employer names and a description of the employers’ businesses, whether such candidate can read and understand basic financial statements, and board memberships, if any. The submission must be accompanied by a written consent of the individual to stand for election if nominated by the Board of Directors and to serve if elected by the stockholders. The Nominating Committee is presently composed of two non-employee directors: Messrs. Lee (Chairman) and Stieger. All members of our Nominating Committee are independent (as independence is currently defined in Rule 4200(a)(15) of the Nasdaq listing requirements). In 2008, the Nominating Committee met once.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS*

The Audit Committee has reviewed and discussed with management the audited consolidated financial statements of the Company for the year ended December 31, 2008 (the “Audited Financial Statements”) and management’s assessment of the effectiveness of the Company’s internal control over financial reporting. Management has the primary responsibility for the financial statements and the internal control over financial reporting.

In this context, the Audit Committee has reviewed and discussed with management and Odenberg, Ullakko, Muranishi & Co. LLP (“OUM”), the independent registered public accounting firm, the Audited Financial Statements and the internal control over financial reporting. The Audit Committee has discussed with OUM the matters required to be discussed by Statement on Auditing Standards No. 114 (The Auditors Communication with Those Charged with Governance), as adopted by the Public Company Accounting Oversight Board (“PCAOB”) in Rule 3200T. In addition, the Audit Committee has received from OUM the written disclosures and the letter required by applicable requirements of the PCAOB regarding OUM’s communications with the audit committee concerning independence, and has discussed with them their independence from the Company and its management. The Audit Committee considered whether the rendering of non-audit services by OUM to the Company is compatible with maintaining the independence of OUM from the Company.

Following the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the Audited Financial Statements be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 for filing with the SEC.

AUDIT COMMITTEE

James D. Dixon, Chairman
Robert Lee
François Stieger

* The material in this report is not “soliciting material,” is not deemed “filed” with the SEC, and is not incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Odenberg, Ullakko, Muranishi & Co. LLP (“OUM”) as our independent registered for the fiscal year ending December 31, 2009. The Board of Directors has directed that management submit the selection of our independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. OUM has audited our financial statements beginning with the fiscal year ended December 31, 2006. Representatives of OUM are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions.

Stockholder ratification of the selection of OUM as our independent registered public accounting firm is not required by our Bylaws or otherwise; however, the Board is submitting the selection of OUM to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and those of our stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of OUM. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following presents aggregate fees billed to us by OUM, our principal accountant for the years ended December 31, 2008, 2007 and 2006. All fees described were pre-approved by the Audit Committee.

Audit Fees. Audit fees billed were \$453,182 and \$556,175 for the years ended December 31, 2008 and 2007, respectively. The fees were for professional services rendered for the integrated audits of our consolidated financial statements (which also include the audits of the effectiveness of our internal control over financial reporting), reviews of the financial statements included in our quarterly reports, consultations on matters that arose during our audit and reviews of SEC registration statements.

Audit-Related Fees. No audit-related fees were billed in the years ended December 31, 2008 and December 31, 2007.

Tax Fees. No tax fees were billed for the years ended December 31, 2008 and 2007, respectively.

All Other Fees. There were no other fees billed in the years ended December 31, 2008 and 2007, respectively.

The Audit Committee has determined that the rendering of certain services other than audit services by OUM is compatible with maintaining the principal accountant’s independence.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services, and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee’s approval of the scope of the engagement of our independent registered public accounting firm or on an individual explicit case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee’s members, but the decision must be reported to the full Audit Committee at its next scheduled meeting.

**THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF PROPOSAL 2.**

PROPOSAL 3

APPROVAL OF THE AMENDED AND RESTATED 2006 EQUITY INCENTIVE PLAN

In 2006, the Board adopted, and our stockholders subsequently approved, the BroadVision, Inc. 2006 Equity Incentive Plan (the "Incentive Plan"). In 2008, the Incentive Plan was subsequently amended by the Board and approved by our stockholders on June 5, 2008. As of March 17, 2009, a total of 434,807 shares of our Common Stock have been reserved for issuance under the Incentive Plan, including the 174,807 shares that are the subject of this proposal.

As of February 24, 2009, stock awards (net of canceled or expired stock awards) covering an aggregate of 124,027 shares of our Common Stock had been granted under the Incentive Plan, and 133,023 remained available for future grant under the Incentive Plan. During the 2008 fiscal year, under the Incentive Plan, we granted an option to purchase 6,000 shares to Shin-Yuan Tzou, our Chief Financial Officer, at an exercise price of \$29.25. During the same period we granted to all employees and directors as a group options to purchase 97,960 shares at exercise prices of \$15.75 to \$55.25 per share and restricted stock awards to receive up to 2,018 shares.

On January 21, 2009, the Board adopted the Amended and Restated BroadVision, Inc. 2006 Equity Incentive Plan (the "Amended and Restated Plan"). Subject to stockholder approval, the Amended and Restated Plan is adopted for the following purposes:

1. *Evergreen Provision.* Our Board has determined that it would be in the best interest of our Company and our stockholders to amend the Incentive Plan to provide for an automatic annual increase in the number of shares available for grant under the Amended and Restated Plan (the "evergreen provision"). The evergreen provision provides that, on January 1 of each of the next ten years, the number of shares reserved for issuance will automatically increase by the lesser of: (i) four percent of the total number of outstanding shares of our Common Stock immediately prior to the increase, (ii) a number of shares such that, following the increase, the total number of shares that have been reserved for issuance under the Plan equals twenty-five percent of the total number of outstanding shares of our Common Stock and (iii) a number of shares such that, following the increase, the total number of shares available for future issuance under the Plan and not subject to outstanding stock awards equals ten percent (10%) of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year. The evergreen provision ensures our ability to issue equity compensation to our employees and executive officers who contribute significantly to our success by giving us the flexibility each year to respond to the changing market environment in order to appropriately direct their efforts to focus on maximizing the value of our common stock.
2. *Authority to Adopt an Option Exchange Program.* Our Board has determined that it would be in the best interests of our Company and our stockholders to amend the Incentive Plan to give the Board authority to institute a stock option exchange program without obtaining further stockholder approval. Due to recent volatility in our stock price and the current economic downturn and tightening of the credit markets, many of our employees and executive officers hold options with exercise prices significantly higher than the current market price of our common stock ("underwater options"). Our stock options are designed to motivate, reward and retain employees and executive officers key to our continued success; however due to their underwater nature, these outstanding stock options may not provide this meaningful retention or incentive value. An option exchange program may allow us to offer a more meaningful incentive to our employees and align their interests more directly with those of our stockholders. We believe that in order to maintain competitive employee compensation and incentive programs we need to have the flexibility to reduce the price of options should, in the future, our Board determine that an option exchange is in the best interests of our Company and our stockholders.
3. *Other Changes.* The Amended and Restated Plan contains other necessary changes that the Board has determined are in the best interests of our Company and our stockholders. These changes to the Incentive Plan bring the plan into compliance with applicable laws and regulations and afford us greater flexibility in providing employees with stock incentives and ensure that we can continue to provide such incentives at levels determined appropriate by the Board.

The following summary description of the Amended and Restated Plan is qualified in its entirety by reference to the full text of the Amended and Restated Plan that is attached as Appendix A to the proxy statement filed via EDGAR with the SEC, including all changes that this proposal would effect if approved by our stockholders at the annual meeting.

Stockholders are requested in this Proposal 3 to approve the Amended and Restated Plan. The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting will be required to approve the Amended and Restated Plan. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

**THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF PROPOSAL 3.**

The essential features of the Amended and Restated Plan are outlined below:

General

The Amended and Restated Plan provides for the grant of incentive stock options, nonstatutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights, performance stock awards, performance cash awards and other forms of equity compensation (collectively, “awards”). Incentive stock options granted under the Amended and Restated Plan are intended to qualify as “incentive stock options” within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”). Nonstatutory stock options granted under the Amended and Restated Plan are not intended to qualify as incentive stock options under the Code. See “Federal Income Tax Information” for a discussion of the tax treatment of awards.

Purpose

We adopted the Amended and Restated Plan to provide a means to secure and retain the services of the employees, directors and consultants of BroadVision and our affiliates, to provide incentives for such individuals to exert maximum efforts for the success of BroadVision and our affiliates, and to provide a means by which such eligible individuals may be given an opportunity to benefit from increases in the value of our Common Stock through the grant of awards.

Administration

The Board administers the Amended and Restated Plan. Subject to the provisions of the Amended and Restated Plan, the Board has the power to construe and interpret the Amended and Restated Plan, to determine the persons to whom and the dates on which awards will be granted, the number of shares of Common Stock subject to each award, the time or times during the term of each award within which all or a portion of such award may be exercised, the exercise price, or strike price of each award, the type of consideration permitted to exercise or purchase each award and other terms of the award. Additionally under the Amended and Restated Plan, our Board has the authority to determine the fair market value applicable to a stock award and to amend the Plan to bring any stock award into compliance with section 409A of the Code and other laws, subject to stockholder approval as required by applicable law.

The Board has the power to delegate some or all of the administration of the Amended and Restated Plan to a committee or committees. The Board has delegated administration of the Amended and Restated Plan to the Compensation Committee of the Board and to the Non-Officer Option Committee. As used herein with respect to the Amended and Restated Plan, the “Board” refers to any committee the Board appoints or, if applicable, any subcommittee, as well as to the Board itself.

Repricing

The Amended and Restated Plan gives the Board the authority, with the consent of any adversely affected participant, to reduce the exercise price of outstanding options or stock appreciation rights under the plan, cancel any such outstanding awards and grant in substitution a new award, cash or other valuable consideration, or take any other action that is treated as a repricing under generally accepted accounting principles. By contrast, the Incentive Plan gave the Board similar authority but required stockholder approval within 12 months prior to such event.

Stock Subject to the Amended and Restated Plan

Including the shares covered by the proposal, an aggregate of 434,807 shares of Common Stock are reserved for issuance under the Amended and Restated Plan. In addition, if this Proposal 3 is approved, an “evergreen provision” shall be included in the share reserve providing that the number of shares of Common Stock available for issuance under the Amended and Restated Plan shall automatically increase upon January 1st of each year for a period of ten years in an amount equal to four percent of the total number of shares of our common stock outstanding on December 31st of the preceding calendar year. However, the maximum aggregate number of common shares that have been reserved for issuance under the Amended and Restated Plan shall not exceed twenty-five percent of the total number of shares of our Common Stock outstanding immediately prior to any such increase, and the maximum aggregate number of shares available for future issuance under the Amended and Restated Plan and not subject to outstanding stock awards shall not exceed ten percent of the total number of shares of Common Stock outstanding immediately prior to any such increase. In addition, our Board may, in its sole discretion, reduce or eliminate the share increase for each year.

Shares may be issued in connection with a merger or acquisition as permitted by the rules of the applicable national securities exchange, and such issuance shall not reduce the number of shares available for issuance under the Amended and Restated Plan. If an award granted under the Amended and Restated Plan expires or otherwise terminates without being exercised in full, or if any shares of Common Stock issued pursuant to an award are forfeited to or repurchased by us, including, but not limited to, any repurchase or forfeiture caused by the failure to meet a contingency or condition required for the vesting of such

shares, then the shares of Common Stock not issued under such award, or forfeited to or repurchased by us, shall revert to and again become available for issuance under the Amended and Restated Plan. If any shares subject to an award are not delivered to a participant because such shares are withheld for the payment of taxes or the award is exercised through a reduction of shares subject to the stock award (*i.e.*, “net exercised”), the number of shares that are not delivered shall remain available for issuance under the Amended and Restated Plan. If the exercise price of any stock award is satisfied by tendering shares of Common Stock held by the participant, then the number of shares so tendered shall remain available for issuance under the Amended and Restated Plan.

The aggregate maximum number of shares of Common Stock that may be issued under the Amended and Restated Plan pursuant to the exercise of incentive stock options is 1,300,000 shares.

Eligibility

Incentive stock options may be granted under the Amended and Restated Plan only to employees (including officers) of BroadVision and our affiliates. Employees (including officers) and consultants of both BroadVision and our affiliates, as well as BroadVision directors, are eligible to receive all other types of awards under the Amended and Restated Plan. Non-employee directors of BroadVision’s affiliates are not eligible to receive awards under the Amended and Restated Plan. All of the employees and consultants of BroadVision and our affiliates, as well as BroadVision non-employee directors, are eligible to participate in the Amended and Restated Plan. However, the Amended and Restated Plan additionally provides that nonstatutory stock options and stock appreciation rights may not be granted to any employees, directors or consultants who provide services only to a parent of BroadVision, in accordance with Rule 405 of the Securities Act, unless such awards comply with the distribution requirements of section 409A of the Code.

No incentive stock option may be granted under the Amended and Restated Plan to any person who, at the time of the grant, owns (or is deemed to own) stock possessing more than 10% of the total combined voting power of BroadVision or any of our affiliates, unless the exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and the term of the option does not exceed five years from the date of grant. In addition, the aggregate fair market value, determined at the time of grant, of the shares of Common Stock with respect to which incentive stock options are exercisable for the first time by a participant during any calendar year (under the Amended and Restated Plan and all other such plans of BroadVision and our affiliates) may not exceed \$100,000.

Under the Amended and Restated Plan, no employee may be granted options, stock appreciation rights or other stock awards covering more than 434,807 shares of Common Stock during any calendar year (“Section 162(m) Limitation”).

Terms of Options

Options may be granted under the Amended and Restated Plan pursuant to stock option agreements. The following is a description of the permissible terms of options under the Amended and Restated Plan. Individual option agreements may be more restrictive as to any or all of the permissible terms described below.

Exercise Price. The exercise price of incentive stock options may not be less than 100% of the fair market value of the stock subject to the option on the date of the grant and, in some cases (see “Eligibility” above), may not be less than 110% of such fair market value. The exercise price of nonstatutory options may not be less than 100% of the fair market value of the stock on the date of grant. As of March 13, 2009, the closing price of BroadVision’s Common Stock as reported on the Nasdaq Global Market was \$10.50 per share.

Consideration. The exercise price of options granted under the Amended and Restated Plan must be paid, to the extent permitted by applicable law and at the discretion of the Board, (i) by cash, check, bank draft or money order, (ii) pursuant to a broker-assisted cashless exercise, (iii) by delivery of other BroadVision Common Stock, (iv) if the option is a nonstatutory stock option, pursuant to a net exercise arrangement, or (v) in any other form of legal consideration acceptable to the Board.

Vesting. Options granted under the Amended and Restated Plan may become exercisable in cumulative increments, or “vest,” as determined by the Board. Vesting typically will occur during the optionholder’s continued service with BroadVision or an affiliate, whether such service is performed in the capacity of an employee, consultant or director (collectively, “service”) and regardless of any change in the capacity of the service performed. Shares covered by different options granted under the Amended and Restated Plan may be subject to different vesting terms. The Board has the authority to accelerate the time during which an option may vest or be exercised. In addition, options granted under the Amended and Restated Plan may permit exercise prior to vesting, but in such event the participant may be required to enter into an early exercise stock purchase agreement that allows us to repurchase unvested shares if the participant’s service terminate before vesting.

Tax Withholding. Unless prohibited by the terms of the option agreement, BroadVision may, in its sole discretion satisfy any federal, state or local tax withholding obligation relating to the exercise of such option by a cash payment upon exercise, by withholding a portion of the stock otherwise issuable to the participant or any other amounts otherwise payable to the participant, by any other method set forth in the option agreement, or by a combination of these means.

Term. The maximum term of options granted under the Amended and Restated Plan is 10 years, except that in certain cases (see “Eligibility”) the maximum term is five years.

Termination of Service. Options granted under the Amended and Restated Plan generally terminate three months after termination of the participant’s service unless (i) such termination is for cause (as defined in the Amended and Restated Plan), in which case the option will terminate upon the date on which the event giving rise to the termination occurred; (ii) termination is due to the participant’s disability, in which case the option may be exercised (to the extent the option was exercisable at the time of the termination of service) at any time within 12 months following termination; (iii) the participant dies before the participant’s service has terminated, or within generally three months after termination of service, in which case the option may be exercised (to the extent the option was exercisable at the time of the participant’s death) within 18 months following the participant’s death by the person or persons to whom the rights to such option have passed; or (iv) the option or any other agreement between the participant and BroadVision by its terms specifically provides otherwise. The option term may be extended (except if the participant is terminated for cause) in the event that exercise of the option following termination of service is prohibited by applicable securities laws or by our insider trading policy. In no event, however, may an option be exercised beyond the expiration of its term.

Restrictions on Transfer. Unless provided otherwise by the Board, a participant in the Amended and Restated Plan may not transfer an option other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. During the lifetime of the participant, only the participant (or the transferee pursuant to a domestic relations order) may exercise an option. A participant may also designate a beneficiary who may exercise an option following the participant’s death. Shares subject to repurchase by BroadVision pursuant to an early exercise arrangement may be subject to restrictions on transfer that the Board deems appropriate.

Terms of Restricted Stock Awards

Restricted stock awards may be granted under the Amended and Restated Plan pursuant to restricted stock award agreements.

Consideration. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order payable to us, past or future services actually rendered to BroadVision or its affiliates, or any other form of legal consideration that may be acceptable to the Board.

Vesting. Shares of stock acquired under a restricted stock award may, but need not be, subject to forfeiture or a repurchase option in favor of BroadVision in accordance with a vesting schedule as determined by the Board. The Board has the authority to accelerate the vesting of stock acquired pursuant to a restricted stock award.

Termination of Service. Upon termination of a participant’s service, we may repurchase or otherwise reacquire any forfeited shares of stock that have not vested as of such termination under the terms of the applicable restricted stock award agreement.

Restrictions on Transfer. Rights to acquire shares under a restricted stock award may be transferred only upon such terms and conditions as determined by the Board.

Terms of Restricted Stock Unit Awards

Restricted stock unit awards may be granted under the Amended and Restated Plan pursuant to restricted stock unit award agreements.

Consideration. The purchase price, if any, for restricted stock unit awards may be paid in any form of legal consideration acceptable to the Board.

Settlement of Awards. A restricted stock unit award may be settled by the delivery of shares of our Common Stock, in cash, or by any combination of these means as determined by the Board.

Vesting. Restricted stock unit awards vest at the rate specified in the restricted stock unit award agreement as determined by the Board. However, at the time of grant, the Board may impose additional restrictions or conditions that delay the delivery of stock or cash subject to the restricted stock unit award after vesting.

Dividend Equivalents. Dividend equivalent rights may be credited with respect to shares covered by a restricted stock unit award. However, we do not anticipate paying cash dividends on our Common Stock for the foreseeable future.

Termination of Service. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant’s termination of service.

Stock Appreciation Rights

Stock appreciation rights may be granted under the Amended and Restated Plan pursuant to stock appreciation rights agreements.

Exercise. Each stock appreciation right is denominated in shares of Common Stock equivalents. Upon exercise of a stock appreciation right, we will pay the participant an amount equal to the excess of (i) the aggregate fair market value of our Common Stock on the date of exercise, over (ii) the strike price determined by the Board on the date of grant.

Settlement of Awards. The appreciation distribution upon exercise of a stock appreciation right may be paid in cash, shares of our Common Stock, or any other form of consideration determined by the Board.

Vesting. Stock appreciation rights vest and become exercisable at the rate specified in the stock appreciation right agreement as determined by the Board.

Termination of Service. Upon termination of a participant's service (other than for cause), the participant generally may exercise any vested stock appreciation right for three months (or such longer or shorter period specified in the stock appreciation right agreement) after the date such service relationship ends. However, in no event may a stock appreciation right be exercised beyond the expiration of its term.

Terms of Other Equity Awards

The Board may grant other equity awards that are valued in whole or in part by reference to our Common Stock. Subject to the provisions of the Amended and Restated Plan, the Board has the authority to determine the persons to whom and the dates on which such other equity awards will be granted, the number of shares of Common Stock (or cash equivalents) to be subject to each award, and other terms and conditions of such awards.

Performance-Based Awards

The Amended and Restated Plan provides for the grant of two types of performance awards: performance stock awards and performance cash awards. Under the Amended and Restated Plan, an award may vest or be exercised contingent upon the attainment during a certain period of time of certain performance goals. All employees of BroadVision and our affiliates, as well as our directors, are eligible to receive performance-based awards under the Amended and Restated Plan. The length of any performance period, the performance goals to be achieved during the performance period, and the measure of whether and to what degree such performance goals have been attained shall be determined by the Compensation Committee. The maximum amount to be received by any individual in any calendar year attributable to performance-based stock awards may not exceed 434,807 shares of our Common Stock. The maximum amount to be received by any individual in any calendar year attributable to performance-based cash awards may not exceed \$5,000,000.

In granting a performance-based award, the Compensation Committee will set a period of time (a "performance period") over which the attainment of one or more goals ("performance goals") will be measured for the purpose of determining whether the award recipient has a vested right in or to such award. Within the time period prescribed by Section 162(m) of the Code, at a time when the achievement of the performance goals remains substantially uncertain (typically before the 90th day of a performance period or the date on which twenty-five percent of the performance period has elapsed), the Compensation Committee will establish the performance goals, based upon one or more pre-established criteria ("performance criteria") enumerated in the Amended and Restated Plan and described below. As soon as administratively practicable following the end of the performance period, the Compensation Committee will certify (in writing) whether the performance goals have been satisfied.

Performance goals under the Amended and Restated Plan are determined by the Board, based on one or more of the following performance criteria: (i) earnings (including earnings per share and net earnings); (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization; (iv) total stockholder return; (v) return on equity or average stockholder's equity; (vi) return on assets, investment, or capital employed; (vii) stock price; (viii) margin (including gross margin); (ix) income (before or after taxes); (x) operating income; (xi) operating income after taxes; (xii) pre-tax profit; (xiii) operating cash flow; (xiv) sales or revenue targets; (xv) increases in revenue or product revenue; (xvi) expenses and cost reduction goals; (xvii) improvement in or attainment of working capital levels; (xviii) economic value added (or an equivalent metric); (xix) market share; (xx) cash flow; (xxi) cash flow per share; (xxii) share price performance; (xxiii) debt reduction; (xxiv) implementation or completion of projects or processes; (xxv) customer satisfaction; (xxvi) stockholders' equity; (xxvii) capital expenditures; (xxviii) debt levels; (xxix) operating profit or net operating profit; (xxx) workforce diversity; (xxxi) growth of net income or operating income; (xxxii) billings; and (xxxiii) to the extent that an Award is not intended to comply with Section 162(m) of the Code, other measures of performance selected by the Board.

The Board is authorized to determine whether, when calculating the attainment of performance goals for a performance period as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated Performance Goals; (iii) to exclude the effects of changes to generally accepted accounting principles; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; and (v) to exclude the effects of any “extraordinary items” as determined under generally accepted accounting principles. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of performance goals.

Compensation attributable to performance-based awards under the Amended and Restated Plan will qualify as performance-based compensation, provided that: (i) the award is granted by a compensation committee comprised solely of “outside directors,” (ii) the award is granted (or exercisable) only upon the achievement of an objective performance goal established in writing by the compensation committee while the outcome is substantially uncertain, and (iii) the compensation committee certifies in writing prior to the granting (or exercisability) of the award that the performance goal has been satisfied.

Adjustment Provisions

If any change is made to the outstanding shares of our Common Stock without our receipt of consideration (whether through merger, consolidation, reorganization, stock dividend, or stock split or other specified change in the capital structure of BroadVision), appropriate adjustments will be made to: (i) the maximum number and/or class of securities issuable under the Amended and Restated Plan, (ii) the maximum number and/or class of securities that may be issued pursuant to incentive stock options, (ii) the maximum number and/or class of securities for which any one person may be granted options and/or stock appreciation rights or performance-based awards per calendar year pursuant to the Section 162(m) Limitation, and (iii) the number and/or class of securities and the price per share in effect under each outstanding award under the Amended and Restated Plan.

Effect of Certain Corporate Events

Under the Amended and Restated Plan, unless otherwise provided in a written agreement between BroadVision or any affiliate and the holder of an award, in the event of a corporate transaction (as defined in the Amended and Restated Plan and described below), all outstanding stock awards under the Amended and Restated Plan may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by individuals whose continuous service with BroadVision or our affiliates has not terminated prior to the effective date of the corporate transaction, the vesting and exercisability provisions of such stock awards may, in the Board’s discretion be accelerated in full and such awards will terminate if not exercised prior to the effective date of the corporate transaction, and (ii) with respect to any stock awards that are held by other individuals, the vesting and exercisability provisions of such stock awards will not be accelerated and such awards will terminate if not exercised prior to the effective date of the corporate transaction (except that any reacquisition or repurchase rights held by us with respect to such stock awards shall not terminate and may continued to be exercised notwithstanding the corporate transaction). In the event a stock award will terminate if not exercised, the Board may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but will receive a payment equal to the excess of the value of the property the holder would have received upon exercise over any exercise price.

For purposes of the Amended and Restated Plan, a corporate transaction will be deemed to occur in the event of (i) the consummation of a sale or other disposition of all or substantially all of the consolidated assets of BroadVision and our subsidiaries, (ii) the consummation of a sale of at least 90% of the outstanding securities of BroadVision, (iii) the consummation of a merger or consolidation in which BroadVision is not the surviving corporation, or (iv) the consummation of a merger or consolidation in which BroadVision is the surviving corporation but shares of our outstanding Common Stock are converted into other property by virtue of the transaction.

A stock award may be subject to additional acceleration of vesting and exercisability upon or after the occurrence of certain specified change in control transactions (as defined in the Amended and Restated Plan), as may be provided in the agreement for such award or as may be provided in any other written agreement between BroadVision or an affiliate and the participant, but in the absence of such provision, no such acceleration shall occur.

The acceleration of vesting of an award in the event of a corporate transaction or a change in control event under the Amended and Restated Plan may be viewed as an anti-takeover provision, which may have the effect of discouraging a proposal to acquire or otherwise obtain control of BroadVision.

Duration, Amendment and Termination

The Board may suspend or terminate the Amended and Restated Plan without stockholder approval or ratification at any time. The Amended and Restated Plan shall continue until such time as it is suspended or terminated by the Board; however incentive stock options may not be granted after the tenth anniversary of the date the Amended and Restated Plan was first adopted by the Board.

The Board may amend or modify the Amended and Restated Plan at any time. However, no amendment shall be effective unless approved by our stockholders to the extent stockholder approval is necessary to satisfy applicable law or applicable exchange listing requirements.

The Board also may submit any other amendment to the Amended and Restated Plan for stockholder approval, including, but not limited to, amendments intended to satisfy the requirements relating to incentive stock options and certain nonqualified deferred compensation under Section 409A of the Code and Section 162(m) of the Code regarding the exclusion of performance-based compensation from the limitation on the deductibility of compensation paid to certain employees.

Federal Income Tax Information

The following is a summary of the principal United States federal income tax consequences to employees and BroadVision with respect to participation in the Amended and Restated Plan. This summary is not intended to be exhaustive, and does not discuss the income tax laws of any city, state or foreign jurisdiction in which a participant may reside.

Incentive Stock Options. Incentive stock options granted under the Amended and Restated Plan are intended to be eligible for the favorable federal income tax treatment accorded “incentive stock options” under the Code. There generally are no federal income tax consequences to the participant or BroadVision by reason of the grant or exercise of an incentive stock option. However, the exercise of an incentive stock option may increase the participant’s alternative minimum tax liability, if any.

If a participant holds stock acquired through exercise of an incentive stock option for more than two years from the date on which the option was granted and more than one year after the date the option was exercised for those shares, any gain or loss on a disposition of those shares (a “qualifying disposition”) will be a long-term capital gain or loss. Upon such a qualifying disposition, we will not be entitled to any income tax deduction.

Generally, if the participant disposes of the stock before the expiration of either of these holding periods (a “disqualifying disposition”), then at the time of disposition the participant will realize taxable ordinary income equal to the lesser of (i) the excess of the stock’s fair market value on the date of exercise over the exercise price, or (ii) the participant’s actual gain, if any, on the purchase and sale. The participant’s additional gain or any loss upon the disqualifying disposition will be a capital gain or loss, which will be long-term or short-term depending on whether the stock was held for more than one year.

To the extent the participant recognizes ordinary income by reason of a disqualifying disposition, generally we will be entitled (subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation) to a corresponding income tax deduction in the tax year in which the disqualifying disposition occurs.

Nonstatutory Stock Options. No taxable income is recognized by a participant upon the grant of a nonstatutory stock option. Upon exercise of a nonstatutory stock option, the participant will recognize ordinary income equal to the excess, if any, of the fair market value of the purchased shares on the exercise date over the exercise price paid for those shares. Generally, we will be entitled (subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation) to a corresponding income tax deduction in the tax year in which such ordinary income is recognized by the participant.

Upon disposition of the stock, the participant will recognize a capital gain or loss equal to the difference between the selling price and the sum of the amount paid for such stock plus any amount recognized as ordinary income upon exercise of the option. Such gain or loss will be long-term or short-term depending on whether the stock was held for more than one year.

Restricted Stock Awards. Upon receipt of a restricted stock award, the participant will recognize ordinary income equal to the excess, if any, of the fair market value of the shares on the date of issuance over the purchase price, if any, paid for those shares. We will be entitled (subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation) to a corresponding income tax deduction in the tax year in which such ordinary income is recognized by the participant.

However, if the shares issued upon the grant of a restricted stock award are unvested and subject to reacquisition or repurchase by BroadVision in the event of the participant’s termination of service prior to vesting in those shares, the participant will not recognize any taxable income at the time of issuance, but will have to report as ordinary income, as and when our reacquisition or repurchase right lapses, an amount equal to the excess of (i) the fair market value of the shares on the date the reacquisition or repurchase right lapses, over (ii) the purchase price, if any, paid for the shares. The participant may, however, elect under Section 83(b) of the Code to include as ordinary income in the year of issuance an amount equal to the excess of (x) the fair market value of the shares on the date of issuance, over (y) the purchase price, if any, paid for such shares. If the Section 83(b) election is made, the participant will not recognize any additional income as and when the reacquisition or repurchase right lapses.

Upon disposition of the stock acquired upon the receipt of a restricted stock award, the participant will recognize a capital gain or loss equal to the difference between the selling price and the sum of the amount paid for such stock plus any amount recognized as ordinary income upon issuance (or vesting) of the stock. Such gain or loss will be long-term or short-term depending on whether the stock was held for more than one year.

Restricted Stock Unit Awards. No taxable income is recognized upon receipt of a restricted stock unit award. The participant will recognize ordinary income in the year in which the shares subject to that unit are actually issued to the participant in an amount equal to the fair market value of the shares on the date of issuance. The participant and BroadVision will be required to satisfy certain tax withholding requirements applicable to such income. Subject to the requirement of reasonableness, Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will be entitled to an income tax deduction equal to the amount of ordinary income recognized by the participant at the time the shares are issued. In general, the deduction will be allowed for the taxable year in which such ordinary income is recognized by the participant.

Stock Appreciation Rights. No taxable income is realized upon the receipt of a stock appreciation right. Upon exercise of the stock appreciation right, the fair market value of the shares (or cash in lieu of shares) received is recognized as ordinary income to the participant in the year of such exercise. Generally, with respect to employees, we are required to withhold from the payment made on exercise of the stock appreciation right or from regular wages or supplemental wage payments an amount based on the ordinary income recognized. Subject to the requirement of reasonableness, Section 162(m) of the Code and the satisfaction of a reporting obligation, we will be entitled to an income tax deduction equal to the amount of ordinary income recognized by the participant.

Potential Limitation on Company Deductions. Section 162(m) of the Code denies a deduction to any publicly held corporation for compensation paid to certain “covered employees” in a taxable year to the extent that compensation to such covered employee exceeds \$1 million. It is possible that compensation attributable to awards, when combined with all other types of compensation received by a covered employee from BroadVision, may cause this limitation to be exceeded in any particular year.

Certain kinds of compensation, including qualified “performance-based compensation,” are disregarded for purposes of the deduction limitation. In accordance with Treasury Regulations issued under Section 162(m) of the Code, compensation attributable to stock options and stock appreciation rights will qualify as performance-based compensation if such awards are approved by a compensation committee comprised solely of “outside directors” and the plan contains a per-employee limitation on the number of shares for which such awards may be granted during a specified period, the per-employee limitation is approved by the stockholders, and the exercise or strike price of the award is no less than the fair market value of the stock on the date of grant.

Compensation attributable to restricted stock awards, restricted stock unit awards and performance-based awards will qualify as performance-based compensation, provided that: (i) the award is approved by a compensation committee comprised solely of “outside directors,” (ii) the award is granted (or exercisable) only upon the achievement of an objective performance goal established in writing by the compensation committee while the outcome is substantially uncertain, (iii) the Compensation Committee certifies in writing prior to the granting (or exercisability) of the award that the performance goal has been satisfied, and (iv) prior to the granting (or exercisability) of the award, stockholders have approved the material terms of the award (including the class of employees eligible for such award, the business criteria on which the performance goal is based, and the maximum amount, or formula used to calculate the amount, payable upon attainment of the performance goal).

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders(1)	311,359	\$267.51	209,222
Equity compensation plans not approved by security holders(2)	44,531	\$150.61	40,549
Total	355,890	\$252.88	249,771

(1) Includes the following: Employee Stock Purchase Plan, 1993 Interleaf Stock Option Plan, 1994 Interleaf Employee Stock Option Plan and 2006 Equity Incentive Plan.

(2) Includes the following: the 2000 Non-Officer Equity Incentive Plan (the "2000 Non-Officer Plan") and non-plan grants. For more information - see Notes 1 and 9 to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Beneficial Ownership of BroadVision Common Stock

The following table sets forth certain information regarding the ownership of our common stock as of January 31, 2009 by: (a) each current director and each nominee for director; (b) each of the executive officers named in the Summary Compensation Table; (c) all of our current executive officers and directors as a group; and (d) all those known by us to be beneficial owners of more than five percent of its common stock.

Beneficial Owner	Beneficial Ownership (1)	
	Number of Shares(#)	Percent of Total(%)
Pehong Chen (2)	1,683,174	37.9%
James D. Dixon (3)	4,975	*
Robert Lee (4)	4,309	*
François Stieger (5)	1,708	*
Shin-Yuan Tzou (6)	30,982	*
Honu Holdings, LLC (2) 1600 Seaport Blvd., North Bldg., Suite 550, Redwood City, CA 94063	1,380,000	31.5%
Funds Associated with Palo Alto Investors LLC (7) 470 University Avenue Palo Alto, CA 94301	749,649	17.1%
All Current Directors and Executive Officers as a group (5 persons) (8)	1,725,148	38.6%

*Less than one percent

- (1) This table is based upon information supplied by officers, directors and principal stockholders and Schedules 13D and 13G filed with the SEC. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, we believe that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 4,377,094 shares outstanding on January 31, 2009, adjusted as required by rules promulgated by the SEC. Our directors and executive officers can be reached at BroadVision, Inc., 1600 Seaport Blvd., Suite 550, North Bldg., Redwood City, California 94063.
- (2) Includes 234,999 shares held in trust by Dr. Chen and his wife for their benefit and 68,175 shares of common stock issuable upon the exercise of stock options exercisable within 60 days of January 31, 2009. Also includes 1,380,000 shares held by Honu Holdings, LLC, of which Dr. Chen is the sole member. Excludes 45,815 shares of common stock held in trust by independent trustees for the benefit of Dr. Chen's children.
- (3) Includes 2,400 shares of common stock issuable upon the exercise of stock options exercisable within 60 days of January 31, 2009.
- (4) Includes 2,400 shares of common stock issuable upon the exercise of stock options exercisable within 60 days of January 31, 2009. Also includes 41 shares held in trust by Mr. Lee and his wife for their benefit.
- (5) Includes 800 shares of common stock issuable upon the exercise of stock options exercisable within 60 days of January 31, 2009.
- (6) Includes 18,742 shares of common stock issuable upon the exercise of stock options exercisable within 60 days of January 31, 2009.
- (7) Based on Amendment No. 3 to Schedule 13G filed with the SEC on February 17, 2009, Palo Alto Investors, LLC, Palo Alto Investors and William Leland Edwards have shared voting and dispositive power with respect to 744,125 shares of common stock (the "PAI Shares"), and Mr. Edwards has sole voting and disposition power with respect to

an additional 5,524 shares of common stock. Palo Alto Fund II, L.P. has shared voting and disposition power with respect to 299,902 of the PAI Shares and Micro Cap Partners, L.P. shared voting and disposition power with respect to 276,732 of the PAI Shares.

- (8) Includes the information contained in the notes above, as applicable, for our directors and executive officers as of January 31, 2009.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and other equity securities. Directors, officers and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2008 all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with.

EXECUTIVE COMPENSATION

Compensation Discussion And Analysis

Philosophy

Our compensation policies are designed to attract and retain key employees, motivating them to achieve and rewarding them for superior performance. In allocating total compensation between cash compensation and equity compensation, the compensation committee focuses on creating incentives geared to both short and longer-term performance with the goal of increasing stockholder value over the long term. Executive compensation programs impact all employees by setting general levels of compensation and helping to create an environment of goals, rewards and expectations. Because we believe the performance of every employee is important to our success, we are mindful of the effect of executive compensation and incentive programs on all of our employees.

We believe that the compensation of our officers should reflect their success as individual and as a management team, in attaining key operating objectives, such as growth of revenues, growth of operating earnings and earnings per share and growth or maintenance of market share and long-term competitive advantage, and ultimately, in attaining an increased market price for our stock. We believe that the performance of the officers in managing BroadVision, considered in light of general economic and specific company, industry and competitive conditions, should be the basis for determining their overall compensation. We also believe that their compensation should not be based on the short-term performance of our stock, whether favorable or unfavorable, but rather that the price of our stock will, in the long-term, reflect our operating performance, and ultimately, the management of the company by our executives. We seek to have the long-term performance of our stock reflected in executive compensation through our stock option and other equity incentive programs. In setting our officers' compensation, we intend to be competitive with other similarly situated companies in our industry.

Overview of Compensation and Process

Elements of compensation for our executives include: salary, incentive bonus, stock option awards, health, disability and life insurance, and perquisites. Base salaries are set for our officers annually by our compensation committee. At the same time, our compensation committee also approves and adopts an incentive bonus plan for the new year and typically grants stock option awards to our officers and certain other eligible employees. The Compensation Committee also considers stock option awards in connection with new hires and promotions.

As part of its annual review of officer compensation, our compensation committee takes into account each officer's total compensation package from prior years, as well as information contained in market surveys. Typically, the chief executive officer makes compensation recommendations to the compensation committee with respect to the executive officers who report to him. Such executive officers are not present at the time of these deliberations. The chairman of the compensation committee then makes compensation recommendations to the compensation committee with respect to the chief executive officer, who is absent from that meeting. The compensation committee may accept or adjust such recommendations and also makes the sole determination of the chief executive officer's compensation.

We choose to pay each element of compensation in order to attract and retain the necessary executive talent, reward annual performance and provide incentive for their balanced focus on long-term strategic goals as well as short-term performance. The amount of each element of compensation is determined by or under the direction of our compensation committee. The following are factors that the compensation committee may take into account in determining the various components of our officers' total compensation package:

- Performance against corporate and individual objectives for the previous year;
- Difficulty of achieving desired results in the coming year;
- Value of their unique skills and capabilities to support the long-term performance of the company;
- Performance of their management responsibilities;
- Responsibility and authority of each position relative to other positions within the company; and
- Contributions as a member of the senior management team.

These elements fit into our overall compensation objectives by helping to secure the future potential of our operations, facilitating our entry into new markets, providing proper compliance and regulatory guidance, and helping to create a cohesive team.

Our policy for allocating between long-term and currently paid compensation is to ensure adequate base compensation to attract and retain the right personnel, while providing incentives to maximize long-term value for BroadVision and our stockholders. Likewise, we provide cash compensation in the form of base salary to meet competitive salary norms and reward good performance on an annual basis and in the form of profit-sharing compensation to reward superior performance against specific short-term goals. We provide non-cash compensation to reward superior performance against specific objectives and long-term strategic goals. As we continue to focus on executing our turnaround plan and introduce new products and services to the marketplace, we want our executives that are leading these initiatives to have strong incentives to see that these initiatives succeed. At the same time, we want our executives to be appropriately rewarded if these initiatives do succeed. As a result, we believe that equity compensation will be a significant component of total compensation for our key employees.

SUMMARY COMPENSATION TABLE FOR FISCAL 2008, 2007 AND 2006

The following table shows for the fiscal years ended December 31, 2008, 2007 and 2006, compensation awarded to or paid to, or earned by, Pehong Chen, the Company's Chief Executive Officer, and Shin-Yuan Tzou, the Company's Chief Financial Officer (the "Named Executive Officers").

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards (\$)</u>	<u>Option Awards (\$)(3)</u>	<u>Non-Equity Incentive Plan Compensation (\$)(4)</u>	<u>Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)</u>	<u>All Other Compensation (\$)(5)</u>	<u>Total</u>
<u>Pehong Chen, CEO(1)</u>	2006	\$ 350,000	\$ -	\$ -	\$ -	\$ 58,508	\$ 10,904	\$ 16,853	\$ 436,265
	2007	\$ 350,000	\$ -	\$ -	\$ -	\$ 70,285	-	\$ 21,264	\$ 441,559
	2008	\$ 350,000	\$ -	\$ -	\$ -	\$ 33,325	-	\$ 15,700	\$ 399,025
<u>Shin-Yuan Tzou, CFO(2)</u>	2008	\$ 200,000	\$ -	\$ -	\$42,636	\$ 13,168	-	\$ 15,587	\$ 271,391

- (1) Dr. Chen served as the Company's Interim Chief Financial Officer from June 2, 2006 to January 15, 2008.
- (2) Mr. Tzou has served as the Company's Chief Financial Officer since January 15, 2008. Because Mr. Tzou was not a named executive officer in 2006 or 2007, SEC rules do not require his compensation for that year to be reported.
- (3) Stock option values calculated using the Black-Scholes model under the rules of SFAS 123R, as discussed in the Stock Compensation section of this report.
- (4) Consists of payment under our Employee Profit Sharing Plan (EPSP). See table below for details.
- (5) Consists of company contribution for health insurance coverage. See table below for details.

Employee Profit Sharing Plan (EPSP) - NON-EQUITY INCENTIVE PLAN COMPENSATION

	<u>Year</u>	<u>Earned</u>
Pehong Chen	2006	\$ 58,508
	2007	\$ 70,285
	2008	\$ 33,325
Shin-Yuan Tzou	2008	\$ 13,168

Company Contributions for Health Coverage - ALL OTHER COMPENSATION

	<u>Year</u>	<u>Health</u>	<u>Dental</u>	<u>Vision</u>	<u>STD</u>	<u>LTD</u>	<u>Life Ins</u>	<u>EE Assist</u>	<u>TOTAL</u>
Pehong Chen	2006	\$ 13,352	\$ 1,831	\$ 302	\$ 359	\$ 450	\$ 540	\$ 19	\$ 16,853
	2007	\$ 17,598	\$ 1,996	\$ 302	\$ 359	\$ 450	\$ 540	\$ 19	\$ 21,264
	2008	\$ 12,336	\$ 1,819	\$ 247	\$ 290	\$ 423	\$ 570	\$ 15	\$ 15,700
Shin-Yuan Tzou	2008	\$ 12,336	\$ 1,819	\$ 247	\$ 290	\$ 423	\$ 457	\$ 15	\$ 15,587

Base Salary

It is the goal of our compensation committee to establish salary compensation for our executive officers based on our operating performance relative to comparable software and computer peer companies over a three to five year period. In setting base salaries for fiscal 2008, we reviewed studies conducted and recommendations issued by the Radford Group of AON Consulting Inc. in 2006 with respect to the salary compensation of officers with comparable qualifications, experience and responsibilities at companies in their recommended peer group. It is not our policy to pay our CEO at the highest level relative to his peers but rather to set his compensation on a basis relative to the other members of our senior management team and CEO's of other similar technology companies. We believe that this gives us the opportunity to attract and retain talented managerial employees both at the senior executive level and below. Our compensation committee does not presently intend to increase the salaries of any of our officers in 2009.

Employee Profit Sharing Plan

Our 2008 Employee Profit Sharing Plan ("EPSP") is designed to reward both executives and employees alike for the achievement of shorter-term financial goals, principally achievement of certain levels of Earnings Before Interest Taxes Depreciation and Amortization, also known as EBITDA. It is our general philosophy that employees be rewarded for their performance as a team in the attainment of these goals. We believe that this is important to aligning our executive and employees toward promoting and rewarding teamwork among them. Although each executive officer is eligible to receive an award under the EPSP, the granting of the awards to any individual or the officers as a group is entirely at the discretion of our compensation committee. The compensation committee may choose to award the bonus or not, and decide on the actual level of the award in light of all relevant factors after completion of the year.

In April of 2008, our compensation committee adopted the 2008 EPSP. Under the terms of the 2008 EPSP:

- Payouts are made quarterly, on the first regularly scheduled pay date after the announcement of quarterly earnings, or on such other date as deemed appropriate by management;
- Eligible persons are active, full-time, or more than 75% part-time employees who maintain a satisfactory standing during the entirety of each quarter and who remain an employee at the time of each quarterly payout;
- Commission-based employees (those with a sales commission plan) have a portion of their variable compensation tied to company performance, funded under this EPSP award pool, with payouts ahead of non-commissioned employees;
- Payouts to non-commissioned employees are targeted at a certain percentage of each individual's base salary, set and/or adjusted with management discretion;
- All amounts earned but not paid under the plan (reductions from any "merit factor," resignations with positive profit-sharing accruals, etc.) are eliminated, going back into company earnings;

- Allocation of the award pool will be determined as a percentage of profits. After the close of each quarter, our management, in its sole discretion, will set the percentage for the corresponding quarter. Payouts will be subject to adjustment by our management and our Chief Executive Officer will have the ability to make the final determination of all profitability payments.

The terms of our 2007 EPSP and 2006 EPSP were similar to those of the 2008 EPSP.

Stock Option and Equity Incentive Programs

We intend for our stock option award program to be the primary vehicle for offering long-term incentives and rewarding our officers and other key employees. We regard this as a key retention tool. Because of the relationship between the value of an option and the market price of our common stock, we have always believed that granting stock options is the best method of motivating our executive officers to manage BroadVision in a manner that is consistent with the interests of our stockholders.

Stock Options Granted

We grant stock options under our 2006 Equity Incentive Plan to our officers and other key employees based upon prior performance, the importance of retaining their services and the potential for their performance to help us attain our long-term goals. However, there is no set formula for the granting of awards to individual executives or employees. In 2008, under all equity compensation plans, we granted stock options to purchase an aggregate of 125,978 shares of stock representing approximately 2.88% of the outstanding shares of our common stock on December 31, 2008 on a fully diluted basis. Of this amount, one option to acquire 6,000 shares of stock was issued to Shin-Yuan Tzou, our Chief Financial Officer.

Timing of Grants

Stock option awards to our executive officers and other key employees are typically granted annually in conjunction with the review of the individual performance of our executive officers. The exercise price of all stock options is set at the last reported sale price of our common stock on the grant date.

Perquisites

We limit the perquisites that we make available to our executive officers, particularly in light of recent developments with respect to corporate crime and abuse involving perquisites. Our executives are entitled to few benefits that are not otherwise available to all of our employees. In this regard it should be noted that we do not provide pension arrangements, post-retirement health coverage other than COBRA, or similar benefits for our executives or employees.

The perquisites we provided in fiscal 2008 are as follows: All employees are eligible to participate in the 401(k) retirement plan if they so choose. We do not match any funds contributed by employees. Our health and insurance plans are the same for all employees. In general, and depending upon the employee's choice, our employees pay 20% of the health premium due. We do not provide other perquisites such as country club memberships, jet aircraft, limousine service, estate or financial planning services, etc.

GRANTS OF PLAN-BASED AWARDS

Name and Principal Position	Grant Date	All Other Options Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
Shin-Yuan Tzou	4/16/2008	6,000	\$ 29.25	\$ 175,500

On April 16, 2008, the Compensation Committee granted stock options to purchase 6,000 shares to Shin-Yuan Tzou, our Chief Financial Officer. In keeping with our standard policy and practice, the exercise price of the stock options that were awarded was \$29.25 per share, the last sale price of our common stock on the date of grant, as quoted on the Nasdaq Global Market. The options have a life of 10 years and vest monthly for 36 months from the vesting commencement date, April 16, 2008.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2008

The following table shows for the fiscal year ended December 31, 2008, certain information regarding outstanding equity awards at fiscal year end for our Named Executive Officers:

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (1)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Pehong Chen	19,999	-	-	\$ 1,500.00	6/23/2009	-	\$ -	-	\$ -
	20,000	-	-	\$ 1,662.75	5/25/2011	-	\$ -	-	\$ -
	177	-	-	\$ 875.25	11/27/2011	-	\$ -	-	\$ -
	2,222	-	-	\$ 465.75	2/19/2012	-	\$ -	-	\$ -
	25,777	-	-	\$ 54.00	10/30/2012	-	\$ -	-	\$ -
Shin- Yuan Tzou	399			\$ 1,068.75	5/25/2009	-	\$ -	-	\$ -
	222			\$ 6,046.88	4/18/2010	-	\$ -	-	\$ -
	888			\$ 1,662.75	5/25/2011	-	\$ -	-	\$ -
	234			\$ 875.25	11/27/2011	-	\$ -	-	\$ -
	266			\$ 198.00	5/30/2012	-	\$ -	-	\$ -
	2,920			\$ 37.50	10/23/2012	-	\$ -	-	\$ -
	12,480			\$ 14.25	3/3/2016	-	\$ -	-	\$ -
	1,333	4,667		\$ 29.25	4/16/2018	-	\$ -	-	\$ -

(1) We do not issue stock options in any direct formulaic performance based plan.

Post-Employment Compensation

Pension Benefits

We do not provide pension arrangements or post-retirement health coverage for our executives or employees. All employees, including our executives, are eligible to participate in our 401(k) contributory defined contribution plan. We do not make any contribution to or make any matching contribution to the 401(k).

Nonqualified Deferred Compensation

We provide a 401(k) nonqualified defined contribution plan for all employees. We do not match any employee contributions. Amounts shown below are totally from our Named Executive Officers. Our Plan is administered by Fidelity Investments and brokered by the NWK Group.

Other Post-Employment Payments

All of our employees, including our officers, are employees-at-will and as such do not have employment contracts with us, except in the case of one officer of our EMEA foreign subsidiaries. We also do not provide post-employment health coverage or other benefits, except in connection with the Severance Benefit Plan which is described below.

POTENTIAL PAYMENTS UNDER RETENTION AGREEMENTS

The table below describes the amounts of current and future compensation benefits that our Named Executive Officers would receive under various change of control or termination scenarios as of December 31, 2008. Under our 2008 benefit plan the benefits are the same for a voluntary termination, early retirement, or normal retirement on December 31, 2008. Our Change of Control Plan, in the context of an Involuntary For Good Reason Termination, only provides for benefits intended to compensate management for lost wages and longer term health and displacement benefits. There are certain graduated levels of benefits for the executives depending upon their responsibility levels and seniority with the company. Under the Involuntary Not For Cause Termination scenario the benefits are reduced, while a For Cause Termination would result in little or no benefits beyond those earned up to the termination date, assumed for purposes of this table to be midnight December 31, 2008. This means the For Cause terminated employee would be entitled to only shares and stock options vested, profit sharing and accrued vacation earned through December 31, 2008 and no further compensation. In the case of disability on December 31, 2008, the employee would be entitled to the additional benefits of long-term disability insurance payouts for up to one year. In the case of death on December 31, 2008, the benefit additional to the employee would include the present value of all life insurance proceeds until normal retirement age of 65.

TERMINATION OR CHANGE OF CONTROL

Executive Benefits and Payments Upon Separation	Voluntary Termination on 12/31/08 (\$)	Early Retirement on 12/31/08 (\$)	Normal Retirement on 12/31/08 (\$)	Involuntary Not For Cause Termination on 12/31/08 (\$)	For Cause Termination on 12/31/08 (\$)	Involuntary For Good Reason Termination (Change in Control) on 12/31/08 (\$)	Disability on 12/31/08 (\$)	Death on 12/31/08 (\$)
Pehong Chen								
Compensation:								
Short-Term Incentive Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock Options	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits & Perquisites:								
Deferred Compensation Program	\$ 48,656	\$ 48,656	\$ 48,656	\$ 48,656	\$ 48,656	\$ 48,656	\$ 48,656	\$ 48,656
Health & Welfare Benefits	\$ 1,381	\$ 1,381	\$ 1,381	\$ 16,568	\$ -	\$ 33,136	\$ -	\$ -

Executive Benefits and Payments Upon Separation	Voluntary Termination on 12/31/08 (\$)	Early Retirement on 12/31/08 (\$)	Normal Retirement on 12/31/08 (\$)	Involuntary Not For Cause Termination on 12/31/08 (\$)	For Cause Termination on 12/31/08 (\$)	Involuntary For Good Reason Termination (Change in Control) on 12/31/08 (\$)	Disability on 12/31/08 (\$)	Death on 12/31/08 (\$)
Disability Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,422,003	\$ -
Life Insurance Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Cash Severance	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ 700,000	\$ -	\$ -
Accrued Vacation Pay	\$ 47,900	\$ 47,900	\$ 47,900	\$ 47,900	\$ 47,900	\$ 47,900	\$ 47,900	\$ 47,900
Shin-Yuan Tzou								
Compensation:								
Short-Term Incentive Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock Options	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits & Perquisites:								
Deferred Compensation Program	\$ 130,394	\$ 130,394	\$ 130,394	\$ 130,394	\$ 130,394	\$ 130,394	\$ 130,394	\$ 130,394
Health & Welfare Benefits	\$ 1,371	\$ 1,371	\$ 1,371	\$ 8,225	\$ -	\$ 20,562	\$ -	\$ -
Disability Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,422,003	\$ -
Life Insurance Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Cash Severance	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 250,000	\$ -	\$ -
Accrued Vacation Pay	\$ 26,603	\$ 26,603	\$ 26,603	\$ 26,603	\$ 26,603	\$ 26,603	\$ 26,603	\$ 26,603

Disability Income:

Assumes Present Value of all Future Benefits Until Normal Retirement Age

Name	Age on 12/31/08	Years to Age 65	Discount Rate 2.5%	Present Value of the Annuity
Pehong Chen	51	14	2.5%	\$ 1,422,003
Shin-Yuan Tzou	51	14	2.5%	\$ 1,422,003

Severance Benefit Plan

On March 26, 2007, our Board approved the Severance Benefit Plan (the "Plan") for certain of our eligible employees. The Plan provides for the payment of certain benefits to employees if (i) the employee has been continuously employed for a period of one year or more; (ii) if we terminate the employee's employment pursuant to (a) an Involuntary Termination Without Cause or (b) Constructive Termination within one month prior to or 24 months following a Change of Control; and (iii) we notify the employee in writing that he or she is eligible for participation in the Plan. Such notification will include details of the level(s) of participation applicable to the Eligible Employee. We in our sole discretion, will make determinations as to whether employees are "Eligible Employees." We have made no such determinations to date. Undefined capitalized terms in this description are defined in the Plan. The Plan is meant to replace all prior arrangements and plans we previously have maintained, other than local plans for specific subsidiaries or countries.

The Plan provides for the following benefits:

No change of control

Designated Eligible Employees involuntarily terminated without cause shall receive a cash severance benefit (in addition to certain other benefits as detailed in the Plan) in accordance with our then-current payroll practices as follows:

Employee Designation	Base	Accrual/Yr	Maximum
CEO	6.00 Mo.	1.00 Mo/Yr.	12.00 Mo.
EVP	3.00 Mo.	0.50 Mo/Yr.	6.00 Mo.
SVP	2.00 Mo.	0.50 Mo/Yr.	5.00 Mo.
VP	1.00 Mo.	0.50 Mo/Yr.	4.00 Mo.
Director	0.50 Mo.	0.42 Mo./Yr.	3.00 Mo.
Manager	0.50 Mo.	0.25 Mo./Yr.	2.00 Mo.
Employee	0.50 Mo.	0.08 Mo./Yr.	1.00 Mo.

Change of control

There are three categories of Eligible Employees covered in a Change of Control situation: Level I, Level II and Level III as hereinafter defined. Level I Eligible Employees are defined as those Company Executive Officers designated by the Compensation Committee as Level I Eligible Employees. Level II Eligible Employees are defined as those Non-Executive Company Officers who report directly to the CEO and who are designated by the CEO as Level II Eligible Employees. Level III Eligible Employees are defined as those Non-Executive Company Officers and Department Managers who report either directly to the CEO or to Level II Eligible Employees and who are designated by the CEO as Level III Eligible Employees.

Designated Eligible Employees terminated shall receive a cash severance benefit (in addition to certain other benefits as detailed in the Plan) in accordance with our then-current payroll practices as follows:

Employee Level	Base (Number of Mo. Base Salary After 1 Year Tenure)	Accelerator (Number of Mo. Base Salary Accrued Per Each Yr. of Additional Tenure)	Maximum Years Tenure Accelerator Applied	Maximum Months Base Salary Accrual Allowed
Level I	9	1.25	12	24
Level II	6	1.00	9	15
Level III	3	0.75	8	9

The vesting and exercisability of unvested stock options held by an Eligible Employee that are outstanding as of the Eligible Employee's termination date, beginning with the earliest unvested installments, shall be accelerated according to the following chart:

Employee Level	Base (Percentage of Unvested Stock Options Accelerated After 1 Year Tenure)	Accelerator (Percentage of Unvested Stock Options Accelerated Per Each Yr. of Additional Tenure)	Maximum (Total % of Unvested Stock Options Allowed to be Accelerated)
Level I	30%	7.8%	100%
Level II	25%	6.1%	80%
Level III	20%	4.4%	60%

DIRECTOR COMPENSATION FOR FISCAL 2008

The following table shows for the fiscal year ended December 31, 2008 certain information with respect to the compensation of all non-employee directors of the Company:

Name	Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Robert Lee	-	\$ 15,990	-	-	-	-	\$ 15,990
James Dixon	-	\$ 19,982	-	-	-	-	\$ 19,982
François Stieger	-	\$ 15,990	-	-	-	-	\$ 15,990

Overview of Director Compensation and Procedures

We review the level of compensation of our non-employee directors on an annual basis. To determine how appropriate the current level of compensation for our non-employee directors is, we have historically obtained data from a number of different sources including the surveys conducted by the Radford Group in 2006. Other data sources used in our analysis included:

- Publicly available data describing director compensation in peer companies;
- Survey data collected by our human resources department; and
- Information obtained directly from other companies.

We compensate non-employee members of the board through stock options. We do not pay our non-employee directors any cash remuneration other than reimbursement of travel expenses and de minimis items.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has served as one of our officers or employees at any time. None of our executive officers serve as a member of the compensation committee of any other company that has an executive officer serving as a member of our board. None of our executive officers serve as a member of the board of directors of any other company that has an executive officer serving as a member of our Compensation Committee.

Compensation Committee Report (*)

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed that Analysis with management. Based on its review and discussions with management, the committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into our Annual Report on Form 10-K for 2008. This report is provided by the following independent directors, who comprise the committee:

James Dixon, Compensation Committee Member
Robert Lee, Compensation Committee Chair

* The material in this report is not “soliciting material,” is not deemed “filed” with the SEC, and is not incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Since January 1, 2008, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeds or exceeded \$120,000 and in which any director, executive officer or beneficial holder of more than 5% of any class of our voting securities or members of such person's immediate family had or will have a direct or indirect material interest other than as described below. It is our policy that future transactions between us and any of our directors, executive officers or related parties will be subject to the review and approval of our Audit Committee or other committee comprised of independent, disinterested directors.

Director and Officer Indemnification

Our revised and restated certificate of incorporation contains provisions limiting the liability of directors. In addition, we have entered into agreements to indemnify our directors and executive officers to the fullest extent permitted under Delaware law.

We have entered into indemnity agreements with certain officers and directors that provide, among other things, that we will indemnify such officer or director, under the circumstances and to the extent provided for in such agreement, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings to which he or she is or may be made a party by reason of his or her position as a director, officer or other agent of BroadVision, and otherwise to the full extent permitted under Delaware law and our Bylaws.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for Notices of Internet Availability of Proxy Materials or other Annual Meeting materials with respect to two or more stockholders sharing the same address by delivering a single Notice of Internet Availability of Proxy Materials or other Annual Meeting materials addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are our stockholders will be “householding” our proxy materials. A single Notice of Internet Availability of Proxy Materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once a stockholder has received a broker notice that it will be “householding” communications to that stockholder’s address, “householding” will continue until the stockholder is notified otherwise or until consent is revoked. If, at any time, the stockholder no longer wishes to participate in “householding” and would prefer to receive a separate Notice of Internet Availability of Proxy Materials, that stockholder should notify the broker or direct a written request to: Corporate Secretary, BroadVision, Inc., 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California 94063 or contact Investor Relations at (650) 331-1000. Stockholders who currently receive multiple copies of the Notice of Internet Availability of Proxy Materials at their address and would like to request “householding” of their communications should contact their broker.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ Sandra Adams
Sandra Adams
Secretary and General Counsel

March 17, 2009

A copy of our Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2008 is available without charge upon written request to: Corporate Secretary, BroadVision, Inc., 1600 Seaport Boulevard, Suite 550, North Building, Redwood City, California 94063.

