

Corporate Governance Principles and Guidelines



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These corporate governance principles and guidelines (the “**Governance Guidelines**”) have been adopted by the board of directors (the “**Board**”) of Zymeworks Inc. (the “**Company**”).

1 INTRODUCTION

The Board is committed to adhering to the high standards contained in the Governance Guidelines in its corporate governance practices. The Board intends that these guidelines will continue to evolve to address all applicable regulatory and stock exchange requirements relating to corporate governance and will be modified and updated as circumstances warrant.

2 BOARD AND COMMITTEES

Board and Committee Mandates

The Board’s principal duty is to exercise its powers in accordance with its fiduciary duties to the Company and in a manner it reasonably believes to be in the best interests of the Company and its stockholders. It is also the Board’s duty to oversee senior management in the competent and ethical operation of the Company. To satisfy this responsibility, the Board expects its members to take a proactive approach to their duties and function as active monitors of corporate management. Accordingly, the directors provide oversight in the formulation of the long-term strategic, financial and organizational goals of the Company and of the plans designed to achieve those goals. In addition, the Board reviews and approves Company standards and policies to ensure that management carries out their day-to-day operational duties in a competent and ethical manner and consistent with high standards of responsible conduct and ethics.

The Board may establish standing committees of the Board (which committees currently consist of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Research and Development Committee) with the authority and responsibilities set out in such committee’s charter or the resolutions adopted by the Board.

Corporate Governance

The Board has delegated responsibility to the Nominating and Corporate Governance Committee for developing the Company’s approach to corporate governance for the Board’s approval, including recommending modifications to these Governance Guidelines for consideration by the Board.

3 BOARD ORGANIZATION AND MEMBERSHIP

Board Size

The Board has the ability to increase or decrease its size within the limits set out in the constating documents of the Company. The Board will determine its size with regard to the best interests of the Company. The Board believes that the size of the Board should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet be small enough to enable efficient meetings and decision-making and maximize full Board attendance.

Independence

There will at all times be a majority of independent directors on the Board. No director will be considered “independent” if they are an executive officer or employee of the Company or if they have any other relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Company defines an “independent” director in accordance with the applicable rules of the Nasdaq Stock Market LLC. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and the Company’s management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

Director Selection Criteria and Diversity

The Nominating and Corporate Governance Committee is required under the Nominating and Corporate Governance Committee Charter to review the characteristics, qualities, skills and experience which form the criteria for candidates to be considered for nomination to the Board. The objective of this review will be to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the overall stewardship of the Company. All directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and be committed to representing the long-term interests of the stockholders. They must also have a genuine interest in the Company and be able to devote sufficient time to discharge their duties and responsibilities effectively.

The Nominating and Corporate Governance Committee believes that having a diverse Board can offer a breadth and depth of perspectives that enhance the Board’s performance. The Nominating and Corporate Governance Committee values diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning director nominees are based on merit and past performance as well as expected contribution to the Board’s performance, knowledge of the industry and sector in which the Company operates and, accordingly, diversity is taken into consideration. The Nominating and Corporate Governance Committee is mandated to identify qualified candidates for nomination as directors and to make recommendations to the Board. When identifying candidates to nominate for election to the Board, the primary objectives of the Nominating and Corporate Governance Committee are to ensure consideration of individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities, having regard to the Company’s current and future plans and objectives, as well as anticipated industry and market developments. Additionally, in evaluating and identifying potential nominees, the Nominating and Corporate Governance Committee evaluates skills which may complement those already serving, or provide additional expertise not already present on the Board.

In furtherance of the Company’s commitment to diversity, the Nominating and Corporate Governance Committee will balance these objectives with the need to identify and promote individuals who are reflective of diversity for nomination for election to the Board. In particular, the Nominating and Corporate Governance Committee will consider the level of representation of women and other diverse candidates on the Board when making recommendations for nominees to the Board. At this time, the Company has not adopted any specific targets for recruiting and retaining qualified female directors and senior executives but will promote its objectives through the initiatives set in these Governance Guidelines with a view to continuing to identify and foster the development of a suitable pool of candidates for nomination or appointment.

Election by Stockholders

Our certificate of incorporation provides for a staggered Board consisting of three classes. At the first annual meeting of stockholders following the date of adoption of our certificate of incorporation, the term of office of the Class I directors will expire and Class I directors will be elected for a full term of three years. At the second annual meeting of stockholders following the date of adoption of our

certificate of incorporation, the term of office of the Class II directors will expire and Class II directors will be elected for a full term of three years. At the third annual meeting of stockholders following the date of adoption of our certificate of incorporation, the term of office of the Class III directors will expire and Class III directors will be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors will be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

At every annual meeting of stockholders all of the directors whose terms expire shall cease to hold office immediately before the election or appointment of directors, but are eligible for re-election or re-appointment. Following a recommendation by the Nominating and Corporate Governance Committee, the Board will propose individual nominees to the stockholders for election to the Board at each such meeting.

Except as otherwise required by law, the certificate of incorporation or the bylaws, directors will be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

Unless otherwise provided in the certificate of incorporation or the bylaws or permitted in the specific case by resolution of the Board, and subject to the rights of holders of preferred stock, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. Notwithstanding the foregoing, no more than 1/3 of the number of directors in office at the conclusion of the most recent annual meeting of stockholders may be appointed by the Board prior to the next annual meeting of stockholders. If the directors are divided into classes, a person so chosen to fill a vacancy or newly created directorship will hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

Majority Voting

In an uncontested election (as defined below) of directors, each director should be elected by the vote of a majority of the shares represented in person or by proxy at the annual meeting of stockholders convened for such election of directors. Accordingly, if any nominee for the Board receives a greater number of votes "withheld" from his or her election than votes "for" such election, that director shall promptly tender his or her resignation to the Chair of the Board following the meeting, such resignation to be effective on acceptance by the Board. The Chair of the Board will refer the resignation to the Nominating and Corporate Governance Committee for consideration, who will make a recommendation to the Board as to whether or not to accept the resignation.

The Board will promptly accept the resignation unless the Board determines, in consultation with the Nominating and Corporate Governance Committee, that there are exceptional circumstances relating to the composition of the Board or the voting results that should delay the acceptance of the resignation or justify rejecting it. In any event, it is expected that the resignation will be accepted (or rejected) within 90 (ninety) days of the meeting. A director who tenders a resignation pursuant to this policy shall not participate in any meeting of the Board or the Nominating and Corporate Governance Committee at which the resignation is considered.

Following the Board's decision, the Company shall promptly issue a press release announcing its decision. In the event that the Board determines not to accept the resignation, the press release shall state the reasons for such decision.

Subject to our certificate of incorporation and bylaws and any applicable corporate law restrictions or requirements, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of stockholders or reduce the size of the Board to eliminate the vacancy. Alternatively, it may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the stockholders, or it may call a special meeting of stockholders

at which there will be presented a management nominee or nominees to fill the vacant position or positions.

For these purposes, an “uncontested election” means an election of directors where the number of nominees for election as a director equals the number of directors to be elected. It shall not apply where an election involves a proxy battle i.e., where proxy materials are circulated, a solicitation of proxies is carried out or other public communications are disseminated in support of one or more nominees who are not part of the director nominees supported by the Board or public communications are disseminated, against one or more nominees who are supported by the Board.

See the Majority Voting Policy for more detail.

Term Limits for Directors

The Board has determined that fixed term limits for directors should not be established. The Board is of the view that such a policy would have the effect of forcing directors off the Board who have developed, over a period of service, increased insight into the Company and who, therefore, can be expected to provide an increasing contribution to the Board. At the same time, the Board recognizes the value of Board renewal as may be appropriate from time to time and shall consider any recommendations made by the Nominating and Corporate Governance Committee in that regard.

4 BOARD COMMITTEES

The Board has determined that there should be four standing committees of the Board: (i) the Audit Committee; (ii) the Nominating and Corporate Governance Committee; (iii) the Compensation Committee; and (iv) the Research and Development Committee. The Board may amend the Board committee structure and authorize and appoint other committees as it considers appropriate, including ad hoc committees for special purposes. The Board shall approve a charter for each standing committee of the Board, which charter shall set forth the purpose, authority, duties and responsibilities of each committee.

Membership of Committees

The Board has determined that the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee shall each be comprised of a minimum of 3 (three) Directors determined by the Board to be independent. The Board has determined that the Research and Development Committee shall be comprised of a minimum of 2 (two) Directors determined by the Board to be independent. In addition, all members of the Audit Committee shall be financially literate and if required by applicable laws, rules and regulations, at least one member will be a financial expert.

The Board shall appoint the members of the committees from time to time and as necessary to fill vacancies, and shall appoint the chair of each committee. Members of the committees will hold office at the pleasure of the Board.

Oversight of Committee Functions

The committees shall assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for all matters assigned to a Board committee. Except as may be explicitly provided in the charter of a Board committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board for the Board’s approval of matters considered by the committee. Each director will have access to minutes of committee meetings, regardless of whether the director is a member of such committee.

5 BOARD MEETINGS & MATERIALS

Meeting Agendas

The Chair, in consultation with the chair of any applicable committee and other directors, as appropriate, shall establish the agenda for Board meetings. If the Chair is not an independent director, then the independent lead director should act as the effective leader of the Board and ensure the Board's agenda will enable it to successfully carry out its duties.

Meeting Materials

Board and committee meeting materials will be provided to directors, to the extent possible, before each Board or committee meeting in sufficient time to ensure adequate opportunity exists for review.

Meetings of Independent Directors

The independent members of the Board will also meet without the non-independent directors and members of management on a periodic basis but not less than two times a year.

6 DIRECTOR RESPONSIBILITIES AND PERFORMANCE

Director Responsibilities

Directors are expected to use their skill and experience to provide oversight over the business and affairs of the Company. Directors have a statutory duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would in comparable circumstances.

Attendance

Directors are expected to attend all Board and committee meetings either in person or by conference call. A director shall notify the Chair of the Board or the chair of a committee if the director will not be able to attend or participate in a meeting. The Company is required to publicly disclose the directors' attendance record on an annual basis. To the extent possible, directors are expected to review and be familiar with Board and committee meeting materials which have been provided in sufficient time for review prior to a meeting. Directors may advise the Chair of the Board or the chair of a committee of matters which they believe should be added to a meeting agenda.

Access to Management

Board members have complete and open access to the Company's management. Board members are expected to use their judgment to ensure that this contact is not distracting to the operations of the Company or to management's duties and responsibilities.

Assessment of Board and Committee Performance

The Nominating and Corporate Governance Committee is mandated to undertake assessments of the overall performance and effectiveness of the Board and each standing committee of the Board and report on such assessments to the Board annually. The purpose of the assessments is to ensure the continued effectiveness of the Board in discharging its duties and responsibilities and the effective operation of the governance framework and to contribute to a process of continuing improvement.

The Nominating and Corporate Governance Committee will oversee an annual self-evaluation by the Board, each committee of the Board and each director. The Nominating and Corporate Governance Committee will be responsible for establishing the evaluation criteria and implementing the process for this evaluation, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

Conflicts of Interest

Directors have a statutory responsibility to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has a conflict of interest. A director will recuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

7 DIRECTOR ORIENTATION AND EDUCATION

The Nominating and Corporate Governance Committee may implement an orientation process for directors that includes background material on the Company's policies and procedures and meetings with senior management. The Company may also offer continuing education programs to assist the directors in maintaining the level of expertise to perform their duties.

8 DIRECTOR COMPENSATION

The Compensation Committee will review and recommend to the Board the type and amount of director compensation for Board and committee service for directors in accordance with applicable legal and regulatory guidelines. Compensation for directors and committee members should be consistent with market practices of similarly situated companies. In determining compensation, the Board will consider the impact on the director's independence and objectivity.

9 SUCCESSION PLANNING

The Compensation Committee should develop and periodically review with the Chief Executive Officer a plan with respect to executive officers' succession and recommend to the Board appropriate individuals who might fill those positions. The Chief Executive Officer should also recommend and evaluate potential successors. The Chief Executive Officer will also review any development plans for those potential successors.

10 CODE OF CONDUCT

The Company's policy is that all its activities be conducted with honesty and integrity and in compliance with all legal and regulatory requirements. The Company's Code of Business Conduct and Ethics sets out the guidelines and principles for ethical conduct. The Board shall review the Code of Business Conduct and Ethics to consider whether to approve changes in the Company's standards and practices. Compliance with the Code of Business Conduct and Ethics is monitored by the Board through the Nominating and Corporate Governance Committee and the Audit Committee.

11 DISCLOSURE

Certain documents and information referred to in these Governance Guidelines may be accessed through the Company's website: www.zymeworks.com. As required by applicable law, certain information is posted on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.

The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to stockholders, competitors, employees or other persons, or to any other liability whatsoever.

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Dated: December 6, 2023
Approved by: Board of Directors of the Company