

# **NOVOCURE LIMITED**

## **CORPORATE GOVERNANCE GUIDELINES**

*The following Corporate Governance Guidelines (“Guidelines”) have been adopted by the Board of Directors (the “Board”) of NovoCure Limited (the “Company”) to assist the Board in the exercise of its responsibilities. These Guidelines are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Memorandum and Articles of Association and other corporate governance documents. These Guidelines are subject to modification from time to time by the Board or the Nominating and Corporate Governance Committee of the Board.*

### **A. Composition and Size of the Board**

#### **1. Size of the Board**

The Board believes that the size of the Board should be within a range of seven to thirteen Directors. The Nominating and Corporate Governance Committee of the Board of Directors will periodically review the size of the Board, and determine the size that is most effective in relation to future operations.

#### **2. Independence**

A majority of the Directors shall satisfy the “independence” requirements of Section 10A of the Securities Exchange Act of 1934, The NASDAQ Stock Market LLC (“NASDAQ”) and any other regulatory authority. All members of the Audit, Compensation and Nominating and Corporate Governance Committees shall meet the relevant specific independence requirements for such committee members under the Sarbanes-Oxley Act of 2002, NASDAQ listing standards and Securities and Exchange Commission (“SEC”) regulations and otherwise operate in compliance with such rules and regulations. The Nominating and Corporate Governance Committee shall be responsible for annually reviewing the relationships that each Director has with the Company for purposes of determining independence.

#### **3. Board Membership Criteria**

The Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. In considering diversity of the Board, the Nominating and Corporate Governance Committee will take into account various factors and perspectives, including differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to Board heterogeneity, as well as race, gender and national origin. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon contributions they can make. The Nominating and Corporate Governance Committee is responsible for determining the appropriate skills and characteristics required of Board members in the context of its current make-up, and will consider factors such as independence, experience, strength of character, mature judgment and technical skills in its assessment of the needs of the Board.

#### **4. Lead Independent Director**

If the Chairman of the Board is not an independent Director (as determined by the Board or the Nominating and Corporate Governance Committee), the independent Directors of the Board will annually elect an independent Director to serve in a lead capacity (the “Lead Independent Director”). Although elected annually, the Lead Independent Director is generally expected to serve for more than one year. The Lead Independent Director coordinates the activities of the other independent Directors and performs such other duties as the Board may determine.

The Lead Independent Director shall:

- Preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent Directors;
- Have authority to call meetings of the independent Directors;
- Serve as a liaison between the chairman and the Chief Executive Officer (the “CEO”), on one hand, and the independent Directors, on the other;
- Review matters such as meeting agendas, meeting schedules to assure sufficient time for discussion of agenda items, and, where appropriate, information sent to the Board; and
- If requested by significant shareholders, ensure that he or she is available, when appropriate, for consultation and direct communication.

#### **5. Selection of Directors**

The Nominating and Corporate Governance Committee has, as part of its responsibilities, the recommendation of candidates to the full Board and the recommendation of Directors to serve on Board committees. The Board shall be responsible for determining whether a director satisfies the requirements for membership on a particular committee and for determining the qualification of an individual to serve on the Audit Committee as a designated “audit committee financial expert,” as required by applicable rules of the SEC.

The Board expects a Director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as Director only candidates who agree to tender, promptly following such person’s failure to receive the required vote for election or re-election at the next shareholder meeting at which such person would face election or re-election, an irrevocable resignation that will be effective upon such failure to receive the required number of votes for re-election. Thereafter, the Board will promptly disclose the Director’s resignation in a Current Report on Form 8-K (or any successor report) filed with the Securities and Exchange Commission.

#### **6. Director Responsibilities**

The business and affairs of the Company shall be managed by or under the direction of the Board. A Director is expected to spend the time and effort necessary to properly discharge such Director’s responsibilities. Accordingly, a Director is expected to regularly attend meetings of the Board and committees on which such Director sits, with the understanding that on occasion a Director may be unable to attend a meeting. Directors are expected to own ordinary shares of the

Company consistent with the NovoCure Limited Share Ownership Guidelines. Directors shall be entitled to rely on the honesty and integrity of their fellow Directors and the Company's senior executives and outside advisors and independent accountants. The Directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf and to the benefits of indemnification to fullest extent permitted by law and the Company's Memorandum and Articles of Association. The Board and its committees shall have the right at any time to retain independent outside financial, legal or other advisors.

## **7. Evaluation of Board**

The Nominating and Corporate Governance Committee shall be responsible for overseeing an evaluation of the Board on a regular basis, but not less than once every year, to determine whether it and its committees are functioning effectively. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of and recommendations to improve the performance of the Board and its committees, to be discussed with the Board.

## **8. Board Compensation**

The Board shall determine the form and amount of non-employee Director compensation, upon the recommendation of the Compensation Committee and subject to the articles of association of the Company. Directors who are executive officers of the Company shall not receive additional compensation for their service as Directors. Senior management of the Company and/or the Board's independent compensation consultant shall report to the Compensation Committee periodically on the Company's director compensation practices in relation to peer companies. Changes in Board compensation, if any, should come only upon the recommendation of the Compensation Committee and with the full concurrence of the Board.

## **9. Membership on Other Boards**

No Director of the Company will serve on more than four public company boards of directors, including the Company's Board, without the Board's consent.

The Board expects individual Directors to use their judgment in accepting directorships of non-public corporations or charitable organizations and to ensure that they allow for sufficient time and attention to Company matters.

A Director shall notify the Chair of the Nominating and Corporate Governance Committee if he or she wishes to accept an invitation to:

- i. become a member of the board of directors of a public company; or
- ii. join a governmental commission, a private company board of directors, a company advisory board or similar body, or the governing board of a non-profit entity if the Director reasonably believes, or the Board or CEO reasonably believes, that the activities of such organization or company could be competitive with the Company, or otherwise impact the Company in a material manner.

Upon receipt of such notice, the Chair of the Nominating and Corporate Governance Committee, together with the CEO and Chair of the Board, shall confirm with the Director (without the necessity of holding a formal meeting) that they do or do not believe joining such organization would represent a conflict of interest or otherwise inhibit the Director's ability to serve the best interests of the Company and its stockholders. In the case of a disagreement, the Nominating and Corporate Governance Committee shall meet to make a final determination.

#### **10. Change in Circumstances; Retirement**

The Board does not believe that Directors who retire, change their principal occupation or business association or accept or intend to accept a directorship with another public company should necessarily leave the Board; however, there should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances. Any Director who experiences such change in circumstances, or experiences other circumstances that reasonably may have an adverse effect on a Director's service on the Board or the Company's business or reputation, shall notify the Chairman of the Board or, if applicable, the Lead Independent Director, and the Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will consider the circumstances and recommend to the Board the action, if any, to be taken with respect to the Director's continuing service on the Board. If the Nominating and Corporate Governance Committee recommends, and the Board accepts such recommendation that the Director resign as a member of the Board, the Director will tender his or her resignation effective immediately, or at such other time as the Board requests.

The Board does not believe that a fixed retirement age for Directors is appropriate.

When the Company's Executive Chairman or CEO no longer holds such position, he or she must offer to tender his or her resignation from his or her position as a Director on the Board. Whether that individual continues to serve on the Board is a matter for discussion at that time between the Board and the new Executive Chairman and/or CEO.

#### **11. Board Access to Officers, Employees and Independent Auditors**

Board members shall have full and free access to officers, employees and the Company's independent auditors. The Directors shall use their best judgment to ensure that any such contact is not disruptive to the business operations of the Company.

#### **12. Board Orientation and Director Education**

Under the oversight of the Nominating and Governance Committee, the Company shall provide new Directors with an orientation program to familiarize such Directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, code of conduct, corporate governance guidelines, principal officers and independent auditors. Any sitting member of the Board may attend the

orientation program. The Company shall also provide a continuing education program for current Directors.

### **13. Annual Chief Executive Officer Evaluation; Succession Planning**

The Compensation Committee will annually evaluate the performance of the CEO. The evaluation of the CEO's performance will be a significant factor in the Committee's annual review of the CEO's compensation.

The Board has the sole responsibility for the hiring or termination of the CEO, as well as the development of policies and principles for selection of a new CEO, including succession in the event of an emergency. The current CEO reviews senior management succession planning and management development with the Board and the Compensation Committee on a periodic basis.

### **14. Annual Meeting of Shareholders**

All Directors are expected to attend the Company's Annual Meeting of Shareholders.

## **B. Board Meetings**

### **1. Frequency of Meetings**

The Board shall meet at least four (4) times annually. In addition, special meetings may be called from time to time as determined by the needs of the business.

### **2. Meeting Materials**

Presentation materials relevant to each Board meeting should be, to the extent practicable, distributed to the Board sufficiently in advance of the meeting to permit prior review by the Directors.

### **3. Meeting Agendas**

The Chairman of the Board shall have the primary responsibility for establishing the agenda for each meeting. Any Director may request that a matter be placed on the Board's agenda by contacting the Chairman of the Board.

### **4. Executive Sessions of Independent Directors**

The non-employee Directors of the Company shall meet without management on a regularly scheduled basis, but not less frequently than twice a year.

## **5. Attendance of Non-Directors at Board Meetings**

The Board encourages the CEO to bring members of management from time to time into Board meetings to provide additional insight into matters being discussed or to introduce other management team members to the Board.

### **C. Committee Matters**

#### **1. Number and Names of Board Committees**

The Board shall have three standing committees: Audit, Nominating and Corporate Governance and Compensation. The duties for each of these committees shall be outlined in their respective charters. The Board may determine to form a new committee or disband a current committee from time to time depending on circumstances, subject to applicable laws and NASDAQ listing standards.

#### **2. Rotation of Committee Assignments and Chairs**

Committee assignments and the designation of Committee Chairs should be based on the Director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of Committee assignments or Chairs. The Board believes experience and continuity are more important than rotation. Board members and Chairs should be rotated only if rotation is likely to increase Committee performance.

#### **3. Frequency of Committee Meetings**

The Audit Committee shall meet at least four (4) times per year. The Compensation Committee shall meet at least three (3) times per year. The Nominating and Corporate Governance Committee shall meet at least two (2) times per year.

#### **4. Anti-Hedging/Anti-Pledging Policy**

The Company considers it inappropriate for any Director, officer or employee to enter into speculative transactions in Company securities. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds, forward sales contracts and the purchase or sale of puts, calls, options or other derivative securities based on the Company's securities by its Directors, officers or employees. Therefore, Directors, officers and employees are prohibited from engaging in any such transactions or similar transactions. Additionally, no Director, officer or employee may pledge Company securities individually owned or through a family trust as collateral for any loan, nor may any Director, officer or employee hold Company securities owned individually or through a family trust in an account in which securities are purchased on margin.

## 5. Related Party Transaction Policy

Related Party Transactions (as defined below) shall be subject to the review and approval of our Audit Committee in accordance with this policy.

A “Related Party Transaction” is any transaction directly or indirectly involving any Related Person (as defined below) that would need to be disclosed under Item 404 of Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”). The Company is required to disclose any transaction that occurs since the beginning of its last fiscal year, or any currently proposed transaction, involving the Company where the amount involved exceeds \$120,000, and in which any Related Person has or will have a direct or indirect material interest, including, without limitation, purchase of goods or services by or from the Related Person or entities in which the Related Person has a material interest, guarantees of indebtedness and employment by the Company of a Related Person. A “Related Party Transaction” also includes any material amendment or modification to an existing Related Party Transaction.

A “Related Person” includes any of the following: (a) a director, executive officer or director nominee of the Company or an immediate family member of the foregoing or (b) a person known to the Company to be a beneficial owner of at least 5% of the Company’s outstanding ordinary shares or an immediate family member of the foregoing. An “immediate family member” includes any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of such person, and any person (other than a tenant or employee) sharing the household of such person.

Our executive officers and Directors are discouraged from entering any transaction that may cause a conflict of interest for the Company. If such a transaction will arise, the executive officer or Director must report any potential conflict of interest, including Related Party Transactions, to the Company’s General Counsel, who will then review and summarize the proposed transaction for the Audit Committee. In determining whether to approve a Related Party Transaction or any other transaction that may cause a conflict of interest for the Company (the “Transaction”), the Audit Committee will consider the following factors, among others:

- whether the Transaction is fair to the Company and on terms comparable to those that could be obtained in an arm’s-length transaction with an unrelated party;
- the extent of the Related Person’s interest in the Transaction;
- whether there are legitimate business reasons for the Company to enter into the Transaction; and
- whether the Transaction would present an improper conflict of interest for any Director or executive officer of the Company, taking into account the size of the transaction, the overall financial position of the Related Person’s interest in the transaction and the ongoing nature of any proposed relationship, and any other factors that the Audit Committee deems relevant.

All Transactions may only be consummated if a majority of the Audit Committee is present and a majority of those present have approved or ratified such Transaction after considering the relevant factors. Any Audit Committee member who is a Related Person with respect to the

Transaction shall not be permitted to participate in the deliberations or vote for approval or ratification of the Transaction. However, such Audit Committee member shall be counted in determining the presence of a quorum at a meeting of the Audit Committee that considers the Transaction.

A Transaction entered into without pre-approval of the Audit Committee shall not be deemed to violate this policy, or be invalid or unenforceable, so long as the Transaction is presented to the Audit Committee as soon as reasonably practical after it is entered into or after it becomes reasonably apparent that the Transaction is covered by this policy.

HISTORY:

ADOPTED: September 19, 2015

REVISED: July 26, 2016  
July 25, 2017  
July 25, 2018  
April 30, 2019  
July 29, 2020