



## **PRINCIPLES OF CORPORATE GOVERNANCE**

Last amended by the Board of Directors on March 4, 2021

The Board of Directors (the “Board”) of Progenity, Inc. (the “Company”) has adopted the corporate governance principles set forth below as a framework for the governance of the Company. The Nominating/Corporate Governance Committee reviews the Principles annually and recommends changes to the Board of Directors as appropriate.

### **1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS**

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

The Board, which is elected by the Company’s stockholders, oversees the management of the Company and its business. The Board selects the CEO and monitors the performance of the senior management team, which is responsible for operating the Company’s business. Consistent with the oversight function of the Board, the Board’s core responsibilities (which may be delegated to one or more committees) include:

- Providing advice and counsel to management regarding significant issues facing the Company and reviewing and approving significant corporate actions;
- Reviewing the Company’s strategies and monitoring their implementation and results;
- Overseeing the Company’s processes for assessing and managing risk;
- Overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- Overseeing legal and regulatory compliance;
- Shaping effective corporate governance;
- Assessing the performance of the Chief Executive Officer (the “CEO”) and other senior management and setting their compensation;
- Planning for CEO and senior management succession;
- Nominating the Company’s director candidates and appointing committee members; and
- Engaging in succession planning for the Board and key leadership roles on the Board and its committees.

### ***Size, Composition and Membership Criteria***

The Board determines the appropriate size of the Board from time to time, within the range of three (3) to nine (9) directors specified in the Company's Certificate of Incorporation, as amended from time to time. A majority of the Board is made up of independent directors. An "independent" director is a director who meets The Nasdaq Stock Market LLC ("Nasdaq") definition of independence, as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating/Corporate Governance Committee.

The Nominating/Corporate Governance Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. In addition, the Nominating/Corporate Governance Committee is responsible for establishing and overseeing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Nominating/Corporate Governance Committee evaluates the composition of the Board annually to assess the skills and experience that are currently represented on the Board as a whole, and in individual directors, as well as the skills and experience that the Board may find valuable in the future. The Nominating/Corporate Governance Committee seeks to achieve a diversity of occupational and personal backgrounds on the Board.

The Nominating/Corporate Governance Committee reviews the qualifications of director candidates and incumbent directors in light of criteria determined by the Board and recommends the Company's candidates to the Board for election by the Company's stockholders at the annual meeting. The Committee also considers director candidates recommended by Company stockholders in accordance with the procedures set forth in the proxy statement.

### ***Board Leadership***

The Board periodically reviews its leadership structure to evaluate whether the structure remains appropriate for the Company.

The Board believes that presently it is in the best interests of the Company for a single person to serve as both the Chairman of the Board and CEO. In addition, the independent directors may appoint a non-management director to serve as the lead external director, or lead independent director if such external director is an independent director, for a period of at least one year. The responsibilities of the lead external director or lead independent director include: (a) presiding at meetings of the Board at which the Chairman is not present, including executive sessions of the non-management or independent directors; (b) approving information sent to the Board; (c) approving the agenda and schedule for Board meetings to provide that there is sufficient time for discussion of all agenda items; (d) serving as liaison between the Chairman and the non-management or independent directors; and (e) being available for consultation and communication with major stockholders upon request. The lead external director or lead independent director also has the authority to call executive sessions of the non-management or independent directors.

### ***Change in Principal Occupation***

When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must submit an offer to resign for consideration by the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends to the Board the action, if any, to be taken with respect to the offer to resign.

### ***Service on Other Boards***

Ordinarily, directors may not serve on the boards of more than five public companies, including the Company's Board. Directors who are executive officers of public companies may not serve on the boards of more than one other public company, in addition to the Board. Service on the boards of subsidiary companies with no publicly traded stock (or that issue only debt), non-profit organizations and private companies is not included in this calculation. Moreover, if a director sits on several mutual fund boards within the same fund family, it will count as one board for purposes of this calculation.

In addition, directors should notify the Board and/or the chairperson of the Nominating/Corporate Governance Committee in advance of accepting an invitation to serve on the board of a public company.

### ***Annual Election of Directors***

Each director stands for election by the Company's stockholders annually to serve until the next annual meeting of the Company's stockholders.

## **2. FUNCTIONING OF THE BOARD**

### ***Agendas***

The Chairman of the Board establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

### ***Distribution and Review of Board Materials***

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

### ***Meetings***

The Board holds regularly scheduled meetings throughout the year and holds additional meetings as necessary to carry out its responsibilities. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve.

### ***Executive Sessions***

The non-management directors meet in executive session without management present at least quarterly, and the independent directors meet in executive sessions regularly.

### ***Strategic Planning***

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year.

### ***Confidentiality***

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

### ***Attendance at Annual Meeting of Stockholders***

Directors are expected to attend the annual meeting of stockholders absent unusual circumstances.

## **3. STRUCTURE AND FUNCTIONING OF COMMITTEES**

### ***Number, Structure and Independence of Committees***

The Board has four standing committees: Audit, Nominating/Corporate Governance, Compensation and Science.

The Audit, Nominating/Corporate Governance, Compensation and Science Committees consist solely of independent directors, subject to applicable exceptions in accordance with Nasdaq and/or SEC rules. In addition, subject to such exceptions, directors who serve on the Audit Committee and the Compensation Committee must meet additional, heightened independence criteria applicable to directors serving on these committees under Nasdaq listing standards, subject to applicable exceptions in accordance with Nasdaq and/or SEC rules.

The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

### ***Assignment of Committee Members***

The Nominating/Corporate Governance Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Nominating/Corporate Governance Committee and appointed by the full Board.

### ***Responsibilities***

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the

Board as appropriate. All committees report regularly to the full Board with respect to their activities.

### ***Meetings and Agendas***

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

#### **4. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISERS**

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisers as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating/Corporate Governance, Compensation and Science Committees has similar authority to retain outside advisers as it determines appropriate to assist it in the performance of its functions.

#### **5. DIRECTOR COMPENSATION**

The Compensation Committee annually reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Committee. Compensation consists of a combination of cash and equity. A substantial portion of director compensation is equity-based to assist in aligning directors' interests with the long-term interests of stockholders. Management directors do not receive compensation for service on the Board.

The Board believes that all non-management directors should be compensated for service as a director only by the Company and on the same basis as other Company directors in accordance with the Company's compensation program for non-management directors.

#### **6. SUCCESSION PLANNING**

The Compensation Committee is responsible for oversight of succession planning for positions held by executive officers. At least annually, the Compensation Committee reviews with the Board succession planning and management development, including recommendations and evaluations of potential successors to fill positions held by executive officers. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations where the CEO or another executive officer unexpectedly become unable to perform the duties of their positions.

#### **7. FORMAL EVALUATION OF THE CEO**

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to the compensation of the CEO, evaluating the CEO's performance against those goals, and recommending the CEO's compensation to the non-management directors for approval. Both the goals and the evaluation are submitted for consideration by the non-

management directors meeting in executive session. The results of the evaluation are shared with the CEO and used by the Compensation Committee in considering the CEO's compensation, which is approved by the non-management directors meeting in executive session.

#### **8. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Company has an orientation process for Board members that is designed to familiarize new directors with various aspects of the Company's business, including the Company's strategy, operations, finances, risk management processes, compliance program and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

#### **9. BOARD AND COMMITTEE PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating/Corporate Governance, Compensation and Science Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the re-nomination process.

The Nominating/Corporate Governance Committee is responsible for developing, administering and overseeing processes for conducting evaluations.

#### **10. STOCKHOLDER ENGAGEMENT**

To enable the Company to speak with a single voice, as a general matter, senior management serves as the primary spokesperson for the Company and is responsible for communicating with various constituencies, including stockholders, on behalf of the Company. Directors may participate in discussions with stockholders and other constituencies on issues where Board-level involvement is appropriate. In addition, the Board is kept informed by Company management of the Company's stockholder engagement efforts.