

## TESARO, INC.

### CORPORATE GOVERNANCE GUIDELINES

#### A. INTRODUCTION

The following Corporate Governance Guidelines (the “**Guidelines**”) have been adopted as guidelines and principles for the conduct of the Board of Directors (the “**Board**”) of TESARO, Inc. (the “**Company**”). They reflect the Board’s commitment to monitoring the effectiveness of decision-making at the Board and management level and ensuring adherence to good corporate governance principles, all with a goal of enhancing stockholder value over the long term.

The Guidelines should be interpreted in the context of all applicable laws and regulations and the Company’s certificate of incorporation (as may be amended or restated from time to time, the “**Certificate of Incorporation**”) and bylaws (as may be amended or restated from time to time, the “**Bylaws**”). The Guidelines are statements of policy and are not intended to supersede or interpret any Federal or state law, rule or regulation, including the Delaware General Corporation Law, or the Company’s Certificate of Incorporation or Bylaws.

#### B. THE BOARD OF DIRECTORS

##### *1. Size*

Under the Bylaws, the number of directors constituting the Board may be increased or decreased by resolution of the Board. The Governance and Nominating Committee will periodically review the size of the Board and may recommend to the Board adjustments from time to time.

##### *2. Composition of the Board of Directors – Independence*

The Company defines an “independent” director in accordance with the applicable provisions of the Securities Exchange Act of 1934, as amended, together with the rules promulgated thereunder (the “**Exchange Act**”) and the applicable rules of The NASDAQ Stock Market, LLC (the “**NASDAQ**”). Because it is not possible to anticipate or explicitly provide for all potential situations that may affect independence, the Board periodically reviews each director’s status as an independent director and whether any independent director has any other relationship with the Company that, in the judgment of the Board, would interfere with the director’s exercise of independent judgment in carrying out such director’s responsibilities as a director. The Board will make an annual determination as to whether each director is “independent” under the applicable provisions of the Exchange Act and the applicable rules of the NASDAQ.

In addition to otherwise being independent directors, Audit Committee members may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any Company subsidiary. For the purpose of this paragraph, compensatory fees do not include fees for service on the Board or a Board committee. In addition, Audit Committee members may not be “affiliated persons” of the Company or any Company subsidiary, as defined in Rule 10A-3 under the Exchange Act. Moreover, Audit Committee members may not have participated in the preparation of the financial statements of the Company or any subsidiary of the Company (other than entities that have ceased to be subsidiaries of the Company) at any time during the preceding three years.

In affirmatively determining the independence of any director who will serve on the Compensation Committee, the board of directors will consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

### ***3. Board Leadership Structure, Selection of Chairman and Chief Executive Officer and Lead Director***

The Board elects its Chairman and appoints the Company's Chief Executive Officer according to its view of what is best for the Company at any given time. The positions of Chairman of the Board and Chief Executive Officer are currently separated. However, the Board does not believe there should be a fixed rule as to whether the offices of Chairman and Chief Executive Officer should be vested in the same person or two different people, or whether the Chairman should be an employee of the Company or should be elected from among the non-employee directors. The needs of the Company and the individuals available to play these roles may dictate different outcomes at different times, and the Board believes that retaining flexibility in these decisions is in the best interests of the Company. The Governance and Nominating Committee will periodically review this issue and provide recommendations to the Board.

If at any time the position of Chairman and Chief Executive Officer are held by the same person, or the Chairman is not otherwise an independent director, the independent directors will at least annually select, by majority vote, an independent director to serve as Lead Director. The Lead Director shall serve as a liaison between the Board's Chairman and the Independent Directors and call meetings of directors, including separate meetings of non-employee directors, where appropriate.

### ***4. Board Membership Criteria***

The Board as a whole should collectively possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Company's business. The Governance and Nominating Committee is responsible for reviewing with the Board, in accordance with its Charter, the appropriate qualities, skills and characteristics desired of nominees for Board members, including in the context of the current make-up, the diversity, and the overall tenure of the Board. This assessment includes training, background, experience, and temperament.

### ***5. Standard for Election of Board Members.***

Any nominee for Director in an uncontested election (i.e., an election where the number of nominees is not greater than the number of directors to be elected) who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall, promptly following certification of the stockholder vote, offer his or her resignation to the Board for consideration in accordance with the following procedures, which will be completed within ninety (90) days following certification of the stockholder vote:

The Independent Members of the Board (as defined below) shall evaluate the best interests of the Company and shall decide on behalf of the Board the action to be taken with respect to such offered resignation, which may include: (i) accepting the resignation, (ii) maintaining the Director but addressing what the Governance and Nominating Committee believes to be the underlying cause or causes of the withhold votes, (iii) resolving that the Director will not be re-nominated in the future for election, or (iv) rejecting the resignation. For purposes of this paragraph, the “Independent Members of the Board” shall include all members of the Board other than any Director who is also employed as an executive of the Company and any Director whose resignation is being considered in accordance with this Section 5.

In reaching their decision, the Independent Members of the Board shall consider all factors they deem relevant, including: (i) any stated reasons why stockholders withheld votes from such director, (ii) any alternatives for curing the underlying cause of the withheld votes, (iii) the director’s tenure, (iv) the director’s qualifications, (v) the director’s past and expected future contributions to the Company, and (vi) the overall composition of the Board, including whether accepting the resignation would cause the Company to fail to meet any applicable SEC or NASDAQ requirements.

A director who is required to offer his or her resignation in accordance with this Section 5 shall not be present during the deliberations or voting whether to accept his or her resignation or, except as otherwise provided below, a resignation offered by any other director in accordance with this Section 5. Prior to voting, the Independent Members of the Board will afford the affected director an opportunity to provide any information or statement that he or she deems relevant.

## ***6. Attendance at Board and Committee Meetings***

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. Board members are expected to prepare for, attend, and participate in meetings of the Board and the committees of which they are members. Although the Board recognizes that, on occasion, circumstances may prevent Board members from attending meetings, the Board expects its members to ensure that other commitments do not materially interfere with the performance of their duties.

## ***7. Selection of Board Members***

The Board is responsible for filling vacancies in its membership, replacing directors who are unable to continue to serve effectively, and nominating candidates to stand for election at the Company’s annual meeting of stockholders. The Board has delegated to the Governance and Nominating Committee the process of identifying and screening candidates when a vacancy is to be filled and making preliminary recommendations to the Board for nominations. The Governance and Nominating Committee considers candidates submitted by directors and management, as well as candidates recommended by stockholders, which are evaluated in the same manner as other candidates identified to it.

## ***8. Memberships on Other Boards***

Directors should not serve on boards of public companies in addition to the Company’s Board where such service is likely to interfere with the performance of the director’s duties to the

Company, taking into account the individual, the nature of his or her other activities and such other factors or considerations as the Board deems relevant. While it is not possible to establish a single standard regarding the number of boards on which each director may sit, in order to help assure that directors have sufficient time to devote to their responsibilities, non-employee directors should generally serve on no more than a total of six other public company boards, without the approval of the Board. In selecting nominees for membership, the Board shall take into account the other demands on the time of a candidate.

#### ***9. Term Limits and Retirement Policy***

The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they may sometimes force the Company to lose the contribution of directors who over time have developed increased insight into the Company and its operations. The Board seeks to maintain a balance of directors who have longer terms of service and directors who have joined more recently.

Similarly, the Board does not currently believe that a fixed retirement age for directors is appropriate. However, upon attaining the age of 72 and annually thereafter, a director shall be considered for retirement from the Board. The Governance and Nominating Committee shall review the director's continuation on the Board, and recommend to the Board whether, in light of all the circumstances, the Board should request that the director continue to serve or retire from the Board.

#### ***10. Board Compensation***

The Compensation Committee shall periodically review and make recommendations to the Board concerning the compensation of non-management directors. Directors who are officers or employees shall not receive any additional compensation for serving on the Board. To assist in setting compensation, the Compensation Committee or the full Board may request information from the staff of the Company or from independent consultants on the compensation of boards of comparable companies.

#### ***11. Orientation and Continuing Education***

Members of the Board are selected with attention to their diverse professional backgrounds and experience. In addition to their individual professional expertise, it is important that members of the Board be knowledgeable about the Company and its business. The Governance and Nominating Committee, working together with management, shall develop and oversee a director orientation program for new directors.

Board members should also be familiar with the duties and responsibilities of directors of public companies and emerging practices in corporate governance. The Governance and Nominating Committee shall develop and oversee continuing director education for directors. The Board acknowledges that director continuing education may be provided in a variety of different forms including: external or internal education programs, presentations or briefings on particular topics, educational materials, meetings with key management and visits to the Company's facilities. Board members are also encouraged to attend seminars, conferences, and other continuing education programs designed especially for directors of public companies, including, specifically, accredited director education programs. The Governance and Nominating

Committee will adopt policies for the reimbursement of expenses for attendance at such programs.

### ***12. Attendance at Annual Meeting***

All Board members are encouraged, but not required, to attend the Company's annual meeting of stockholders.

### ***13. Annual Performance Evaluation***

The Board will conduct an annual review and self-evaluation of the Board, each of its standing committees, and the Chairman of the Board to determine whether each is functioning effectively. The review will focus on the Board's contribution to the Company and will seek to identify specific areas, if any, that need improvement or strengthening. Such review shall include presentations to the Board by each committee chairman, and may, if deemed necessary or appropriate by the Board, include reviews and/or presentations by the Company's independent advisors, including its legal counsel and independent auditing firm. The Governance and Nominating Committee shall be responsible for overseeing the Board and committee review and evaluation process and reporting its assessments to the Board.

### ***14. Directors Who Accept a New Position or Become Aware of Circumstances that may Adversely Reflect Upon the Director or the Company***

When a director, including any director who is currently an officer or employee of the Company, accepts a new position as an employee, officer, or director of another company in the pharmaceutical and/or biotechnology industry and/or related industries or becomes aware of circumstances that may potentially create an actual or perceived conflict with the director's continued service on the Board, such director should notify the Governance and Nominating Committee. The Governance and Nominating Committee will consider the circumstances, and may in certain cases consider requesting that the director submit his or her resignation from the Board if, for example, continuing service on the Board by the individual would create a conflict or is not otherwise consistent with the criteria deemed necessary for continuing service on the Board.

### ***15. Outside Advisors***

The Board has the authority to select, retain, terminate and approve the fees and other retention terms of its outside advisors, which is in addition to any authority expressly granted to committees of the Board pursuant to the charters of such committees. The Company will bear the expense of such advisors.

### ***16. Share Ownership of Directors***

The Board believes that it is important for directors to focus on long-term stockholder value and for their interests to be aligned with those of the Company's stockholders. To meet this objective, the Board has established stock ownership guidelines. The guidelines provide that each director is required to hold shares of the Company's common stock with a value equal to three times the amount of the annual base retainer fee paid to directors for service on the Board. For this purpose, "value" includes both the market value of shares held directly by such director

or through a trust and sixty percent of the value of any vested, in-the-money stock options issued under any Company equity compensation plan. Each director is required to achieve the applicable level of ownership by the later of the date of the Company's 2019 annual meeting of stockholders and the date that is three years after the date on which the person became a director.

## C. BOARD MEETINGS

### *1. Selection of Agenda Items for Board Meetings*

The Chairman of the Board and the Lead Director, if any, in consultation with appropriate members of management, and the Board committee chairs, will develop the agenda for each Board meeting and circulate to the Board members in advance of each meeting. Although materials relevant to the agenda are generally circulated to the Board in advance, exceptions are sometimes made for materials related to particularly sensitive topics. Each Board member is free and encouraged to suggest the inclusion of items on the agenda.

### *2. Access to Information*

The Board has full access to any Company employee or member of management, and to the Company's outside auditors, legal counsel and other professional advisers for any purpose reasonably related to the Board's responsibilities. Directors are encouraged to keep themselves informed of the affairs of the Company between Board meetings through regular and direct contact with the Company's senior management. The Board recognizes that in exercising its right of access it should be done in a way to minimize the normal operation of the business, and that ordinarily it would do so through and in consultation with management. It is the Company's policy that employees may contact Board members directly to express concerns about the direction or management of the Company. The Board encourages presentations at its meetings by employees who can provide additional insight into the topics because of their direct involvement in the area, or have leadership potential of which the Board should be aware. Each director is entitled to inspect the Company's books and records and obtain such other data and information as the director may reasonably request, inspect Company facilities as reasonably appropriate for the performance of the director's duties, and receive copies of all Board and committee meeting minutes.

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

The independent directors will meet in executive session without management and any non-independent directors at least quarterly. The Chairman if an independent director, or the Lead Director, if the Chairman is not an independent director, will preside over and develop the agenda for the executive sessions of independent directors. Each Board member is free and encouraged to suggest the inclusion of items to be discussed in the executive sessions of independent directors.

## D. BOARD COMMITTEES

### *1. Standing and Special Committees*

The Board currently has standing committees on (i) Audit, (ii) Compensation, and (iii) Governance and Nominating. Each of these committees operates under a written charter

outlining its duties and responsibilities. The Board may form new standing committees when it believes the work of the Board requires it. The Board also appoints special committees from time to time to assist it in carrying out particular responsibilities.

## ***2. Assignment and Term of Service of Committee Members***

The Board, with the advice of the Governance and Nominating Committee, appoints the members and the chair of each of its standing committees. In the ordinary course, it is expected that the chair of a standing committee will have had previous service on the committee. There are no fixed terms for service on standing committees. The Board may replace committee members when it believes that to be appropriate.

## ***3. Frequency and Length of Committee Meetings and Committee Agenda***

Each standing committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company, the charter for such committee and other applicable resolutions of the Board. Pursuant to their own rules of procedure, the committees shall, with the assistance of appropriate members of management, determine the frequency and length of meetings of the committee and develop the agenda for each meeting. The meeting agenda and supporting materials will generally be circulated to the committee in advance of the meeting. At the direction of the chair of the committee, a member of the committee, a member of management or a legal advisor will take minutes of each committee meeting. Board members who are not members of a committee are nevertheless welcome to attend its meetings.

## **E. OVERSIGHT OF RISK**

The Board believes that risk management is an important part of establishing, updating and executing on the Company's business strategy. The Board, as a whole and at the committee level, has oversight responsibility relating to risks that could affect the corporate strategy, business objectives, compliance, operations, and the financial condition and performance of the Company. The Board focuses its oversight on the most significant risks facing the Company and on its processes to identify, prioritize, assess, manage and mitigate those risks. The Board and its committees receive regular reports from members of the Company's senior management on areas of material risk to the Company, including strategic, operational, financial, legal and regulatory risks. While the Board has an oversight role, management is principally tasked with direct responsibility for management and assessment of risks and the implementation of processes and controls to mitigate their effects on the Company.

The Audit Committee as part of its responsibilities oversees the management of financial risks, including but not limited to accounting matters, liquidity and credit risks, corporate tax positions, insurance coverage, and cash investment strategy and results. The Audit Committee is also responsible for overseeing the management of risks relating to the performance of the Company's independent registered public accounting firm, as well as the Company's systems of internal controls and disclosure controls and procedures. The Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation and overall compensation and benefit strategies, plans, arrangements, practices and policies, and compensation of the Board. The Governance and Nominating Committee oversees the management of risks associated with the Company's overall compliance and

corporate governance practices, and the independence and composition of the Board. These committees provide regular reports, on at least a quarterly basis, to the full Board.

## **F. MANAGEMENT REVIEW AND RESPONSIBILITY**

### ***1. Evaluation and Compensation of Officers***

The Compensation Committee evaluates the performance of, and makes recommendations to the Board concerning the compensation packages for, the Chief Executive Officer. It also reviews the Chief Executive Officer's evaluations of the performance of, and the Chief Executive Officer's recommendations for determination of the compensation packages for, the officers of the Company who report directly to the Chief Executive Officer and any executive officers whose compensation is required to be disclosed in detail in the Company's annual proxy statement.

### ***2. Succession Planning***

The Board plans for the succession to the position of the Chief Executive Officer. The Governance and Nominating Committee, with the assistance of the Chief Executive Officer, periodically reviews and assesses the Company's succession plans for the Chief Executive Officer and other officers and senior executives of the Company, and makes recommendations to the Board and management as necessary.

### ***3. Board Interaction with Institutional Investors, Press, Etc.***

The Board believes that management should speak for the Company. In this light and including to prevent any unintentional and inadvertent disclosure of material non-public information, the Company has adopted a Statement of Policy Regarding Public Disclosure. If a situation does arise in which it seems necessary or appropriate for a non-employee director to speak on behalf of the Company, whether to internal or external constituencies, the director should consult with the Chairman (or Lead Director, if one had been appointed) and the Chief Executive Officer, who will make a joint determination of who is the proper person to speak for the Company.

### ***4. Role of Management***

The Board's governance and oversight functions do not relieve the primary responsibilities of the Company's management to (1) make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) devise and maintain an effective system of internal accounting controls; (3) devise and maintain effective disclosure controls and procedures and internal controls over financial reporting; (4) prepare financial statements that are accurate and complete and fairly present the financial condition, results of operation and cash flows of the Company; and (5) devise and maintain systems, procedures and corporate culture which promote compliance with legal and regulatory requirements and the ethical conduct of the Company's business.

## **G. LOYALTY, ETHICS AND TRANSACTIONS WITH DIRECTORS**

Directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interest possessed by a director. The

Company has adopted a Code of Business Conduct and Ethics (the “Code”). Certain portions of the Code deal with activities of directors, particularly with respect to conflicts of interest, and compliance with laws, rules and regulations. Directors shall be familiar with the Code’s provisions and adhere to the values and standards set forth therein.

It is the policy of the Board that any transaction in which a director (or any member of a director’s immediate family) has a personal or financial interest (direct or indirect) should be scrutinized in accordance with the Company’s Related Person Transaction Policy. It is incumbent upon each director to promptly notify the Governance and Nominating Committee when he or she becomes aware of any existing or proposed matter in which (i) the director, (ii) any member of the director’s immediate family, or (iii) any organization in which the director or an immediate family member serves as a general partner, manager, officer or significant stockholder has, or may have, a personal or financial interest (whether direct or indirect) or may otherwise have a potential conflict of interest or that could affect the independence of the director.

#### **H. REVIEW AND MODIFICATION OF THESE PRINCIPLES**

The Guidelines, as set forth herein, will be reviewed by the Governance and Nominating Committee annually. If the Governance and Nominating Committee determines that modifications are in order, it will make recommendations of changes for the Board to consider.

**Approved:** August 2017