



**Tarsus Pharmaceuticals, Inc.  
Corporate Governance Guidelines**

(as adopted by the Board of Directors on October 8, 2020 and effective as of the Company's initial public offering)

**A. Introduction**

The Board of Directors (the "Board") of Tarsus Pharmaceuticals, Inc. (the "Company") has adopted these corporate governance guidelines to provide a framework within which the Board may conduct its oversight of the business and affairs of the Company to serve as the ultimate decision-making body of the Company

**B. Role of the Board and Management**

The Company's business is conducted by its employees, managers, and officers, under the direction of the Company's chief executive officer ("CEO") and the oversight of the Board, to enhance the long-term value of the Company and seek the best interests of its stockholders. The Board is elected by the stockholders to oversee management in its duties. In fulfilling their responsibilities, both management and the Board are informed by their fiduciary duties under applicable law.

**C. Principal Responsibilities and Duties of the Board**

In addition to its general oversight of management, the Board also performs a number of specific functions as set forth below. These duties are set forth as a guide with the understanding that the Board will carry them out in a manner that is appropriate given the Company's needs and circumstances. The Board may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

- 1. Selecting the Chairman of the Board and CEO.** The Board will select the Chairman of the Board and the CEO in accordance with the Company's certificate of incorporation and bylaws and based upon the best interests of the Company at any point in time. The duties of these officers are set forth in the Company's bylaws. The Board does not have a formal policy that requires the separation of these two roles. The Board may separate or combine the roles of the Chairman of the Board and CEO when and if it deems it advisable and in the best interests of the Company and its stockholders to do so.
- 2. Selecting the Lead Independent Director.** If the Chairman of the Board is not an independent director, as defined under the rules of The Nasdaq Stock Market LLC ("Nasdaq"), as such may be amended from time to time (the "Rules"), the Board will appoint an independent director as the "Lead Independent Director" to facilitate communication between management, the independent directors, and the Chairman of the Board. The Lead Independent Director will actively participate in setting

agendas for Board meetings, preside at executive sessions of the Board, and perform such other duties as specified by the Board.

3. **Selecting Other Officers.** The Board is involved in the selection of other officers of the Company, including “executive officers,” in accordance with the Company’s bylaws.
4. **Evaluating Management Performance and Compensation.** The Board, primarily through the Compensation Committee, (i) oversees an annual evaluation of the Company’s CEO and executive officers in light of established corporate performance goals and objectives and (ii) approves the compensation paid to the CEO and executive officers of the Company.
5. **Overseeing Management Succession Planning.** The Nominating and Corporate Governance Committee, in consultation with the full Board, is primarily responsible for succession planning for the CEO and oversees management’s succession plans for other key executives. Succession planning can be critical in the event the CEO should cease to serve for any reason, including resignation or unexpected disability, or if their service is temporarily disrupted. In addition, the Board believes that establishment of a strong management team is the best way to prepare for an unanticipated executive officer departure and will confer with the CEO to encourage management development programs.
6. **Formulating Company Strategy.** The Board is actively involved with management in formulating corporate strategy and annually reviews the Company’s strategic plan as well as its annual operating plans, budgets and major corporate actions.
7. **Overseeing Risk Management, Legal and Ethical Compliance.** The Board, as a whole, and through its standing committees, has responsibility for the oversight of the Company’s risk management, legal and ethical compliance by considering that processes are in place for maintaining the integrity of the Company.
8. **Managing Potential Conflicts of Interest and Maintaining Loyalty and Ethical Behavior.** All members of the Board are expected to abide by the Company’s code of conduct and to inform (i) the Nominating and Corporate Governance Committee of an actual or potential conflict of interest or (ii) the Audit Committee of a “related person transaction.” If a director has a personal interest in a matter before the Board, the director must disclose the interest to the Board, excuse himself or herself from discussion, and abstain from voting, on the matter. Each member of the Board owes fiduciary duties to the Company including the duty of loyalty and the duty to act in the best interest of the Company.
9. **Ensuring the Integrity of Financial Reporting.** The Audit Committee oversees the integrity of the Company’s accounting and financial reporting systems, including overseeing the audit of the Company’s annual financial statements by independent auditors, and assessing the Company’s disclosure controls and procedures and systems of internal control.

#### **D. Board Structure and Composition**

1. **Board Size.** The authorized number of directors will be determined from time to time by resolution of the Board, in accordance with the Company’s bylaws. The size of the Board may vary based upon a number of factors including business needs and the availability of qualified candidates. Board size should facilitate active interaction and participation by all Board members.
2. **Board Membership Criteria and Appointment.** The Nominating and Corporate Governance Committee will (i) evaluate candidates for membership on the Board, including candidates nominated

or recommended by stockholders, based on criteria established by the Board and (ii) recommend to the Board a slate of nominees for election at the annual meeting of stockholders or nominees to fill interim vacancies on the Board. The Board criteria established by the committee may include, in no particular order of importance: (i) various and relevant career experience, (ii) relevant skills, such as an understanding of the Company's business and technology, (iii) financial expertise, (iv) diversity and (v) local and community ties. The minimum qualifications and skills that each director should possess include (i) the highest professional and personal ethics and values, (ii) a commitment to enhancing stockholder value and (iii) sufficient time to carry out their duties and to provide insight and practical wisdom based on experience.

- 3. Director Independence.** A majority of directors on the Board will be "independent directors" as defined in the Rules, except as may otherwise be permitted by or otherwise satisfy the requirements of such Rules. Each independent director who experiences a change in circumstances that could affect such director's independence should deliver a notice of such change to the Company's Secretary. The Board also believes that it is in the best interest of the Company and its stockholders to have certain non-independent directors serve on the Board, such as current members of management.
- 4. Director Elections.** Classes of directors are reelected each year. The Board is staggered into three classes of directors, and directors may be nominated for re-election according to their tenure as set forth in the Company's certificate of incorporation. Each director elected at an annual meeting shall serve a term of three years. Directors shall be elected by a plurality of the voting power of the shares present, in person or represented by proxy, at a meeting and entitled to vote on the election of directors.
- 5. Notifying a Director of Non-Inclusion on a Proposed Slate of Director Nominees.** Any proposal to decrease the size of the Board, or to substitute a new director for an existing director, should be made first by the Nominating and Corporate Governance Committee, then approved by the full Board. After receipt of a recommendation from the Nominating and Corporate Governance Committee that a director not be included on a proposed slate of director nominees, the Chairman of the Board should notify the director of such recommendation prior to the meeting of the Board at which the slate of nominees is proposed to be approved.
- 6. Term Limits.** The Board believes that directors should not have "unlimited tenure." The Nominating and Corporate Governance Committee should consider, prior to each annual meeting, whether each director eligible for reelection should stand for reelection.
- 7. Changes in Director Status.** In the event any director's affiliation or position of principal employment changes substantially, or they suffer a change in circumstances that adversely affects their capacity to serve as a member of the Board, that director shall tender for consideration by the Board his or her irrevocable, conditional resignation that will be effective only upon Board acceptance of such resignation. The Board, in consultation with the Nominating and Corporate Governance Committee, shall review such resignation and determine whether or not to accept such resignation after consideration of the new circumstances. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Nominating and Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. The Board does not believe that in every instance such resignation should necessarily be accepted.
- 8. Multiple Board Seats.** Directors shall advise the Chairman of the Board or the Lead Independent Director, as applicable, before accepting an invitation to serve on an additional for-profit corporate

board of directors. In addition, in order to ensure sufficient time and attention to meet the responsibilities of Board membership, directors shall serve on no more than five boards of directors of publicly traded companies, or three such boards of directors in the case of the CEO, or one such board of directors in the case of other executive officers, in each case including this Board, without consent of the Nominating and Corporate Governance Committee. Directors must comply with the conflict of interest provisions of the Company's code of conduct when considering outside directorships. A member of the Audit Committee shall advise the Chairman of the Board or the Lead Independent Director, as applicable, if he or she simultaneously serves on the audit committees of more than three public companies, including the Company's Audit Committee, in which case the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee.

## **E. Board Procedures**

- 1. Frequency of Meetings.** Regular meetings of the Board shall be held at such times and places as the Board determines. The CEO, in consultation with the Chairman of the Board or the Lead Independent Director, will set the time, place, and expected length of the Board meetings. There will be at least four regularly scheduled meetings of the Board each year but the Board may meet more often as needed. The Board should review the Company's long-term strategic plans and risk management during at least one Board meeting per year. Directors are also expected to make themselves available outside of Board meetings for advice and consultation.
- 2. Agenda for Meetings.** The CEO, in consultation with the Chairman of the Board or the Lead Independent Director, will set the agenda for each Board meeting. Each director may request items to be included on the agenda, request the presence of, or any report by, any member of management, and may raise at any Board meeting subjects which are not on the agenda.
- 3. Board Materials.** The business of the Board should be organized so that the matters subject to Board oversight receive the appropriate attention of the Board. Accordingly, to the extent possible, the relevant information important to the Board's understanding of matters to be discussed at a meeting and the current status of the Company's business should be distributed to the Board with sufficient time for the directors to read and prepare for the meeting and to conserve appropriate time for discussion. On those occasions when the subject matter is too sensitive to be distributed, the subject will be introduced at the meeting.
- 4. Board Attendance and Participation.** Directors are expected to prepare for, attend (in person, via telephone or via video conference), and contribute meaningfully in all Board and applicable committee meetings (and, in no event, fewer than 75% of such meetings). Consistent with their fiduciary duties, directors are expected to maintain the confidentiality of the information they receive as a director and the deliberations of the Board and its committees.
- 5. Executive Sessions of Independent Directors.** Executive sessions of non-management directors are held at each of the four regularly scheduled meetings each year, and at such other times as may be requested by the non-executive Chairman or the Lead Independent Director or one or more non-management directors. Executive sessions including only independent directors are held at least once a year. The Chairman of the Board, if an independent director, or the Lead Independent Director presides over executive sessions of the Board.
- 6. Regular Attendance of Management at Board Meetings.** Certain members of management (e.g., the Company's chief financial officer ("CFO"), general counsel, vice president, legal or their

designees and/or such other members of the executive team as the CEO may from time to time designate) may attend Board meetings on a regular basis. Other members of management and staff may be asked to attend meetings and present reports from time to time. Furthermore, facilitating the Board's exposure to management other than the CEO and CFO may help the Board administer its responsibilities with respect to succession planning. It is understood that Company personnel and others attending Board meetings may be asked to leave the meeting in order for the Board to meet in executive session.

7. **Access to Officers and Employees.** Board members should have full access to any officer or employee, either as a group or individually, and to Company information that they believe is necessary to fulfill their obligations as Board members. Board members should use their judgment to ensure that any such contact or communication is not disruptive to the business operations of the Company.
8. **Authority to Retain Advisors.** The Board shall have the authority, in its sole discretion, to retain or obtain the advice of any advisors as it determines necessary to carry out its duties. The Board shall be directly responsible for the appointment, compensation, retention, and oversight of the work of such advisors, and the Company must provide for appropriate funding, as determined by the Board, for payment of reasonable fees to any such advisor retained by the Board. The Company will also provide for the payment of any administrative expenses of the Board that are necessary or appropriate in carrying out its activities.

#### **F. Board Committees**

1. **Number and Independence of Committees.** The standing Board committees are the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Board may choose to form a new standing or ad hoc committee or disband a current committee as dictated by the needs of the Board. Each standing committee complies with the independence and other requirements established by applicable law and regulations, including the Rules and Securities and Exchange Commission rules, except as may otherwise be permitted by or otherwise satisfy the requirements of such rules.
2. **Committee Charters and Delegation of Authority.** Each committee will have a charter that is approved by the Board. The principal responsibilities and duties of each committee will be set forth in the committee's charter. These duties are set forth as a guide with the understanding that the committee will carry them out in a manner that is appropriate given the Company's needs and circumstances. The Board or committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

As a general matter, each committee will exercise the powers of the Board and perform such duties and responsibilities as may be assigned to the committee. For the avoidance of doubt, to the extent permitted by law or regulation, any action that may or is to be taken by a committee may be taken directly by the Board in lieu of committee action.

3. **Assignment and Rotation of Committee Members.** Members of each committee are appointed by and are members of the Board. The Board determines the exact number of committee members and can at any time add, remove or replace a committee member. Committee members should be appointed (or reappointed), and chairs of each committee designated, by the full Board, annually upon recommendation by the Nominating and Corporate Governance Committee. While composition of the

committees should be reviewed each year to make certain that these committees are operating effectively, it is the Board's belief that continuity of experience in the specific functions of these committees provides a significant benefit to the stockholders and to management. Generally, each committee member should be considered for rotation when he or she has served five consecutive years on a particular committee and each committee chair should be considered for rotation every five years. In making the decision for rotation of committee membership and chair position, the Board should take into consideration the expertise of the individual committee member and the expertise of the other directors available for these positions.

- 4. Committee Proceedings.** Committee proceedings, including frequency, length and agendas of meetings, shall be conducted in accordance with the provisions of each committee's charter. Committees of the Board may also meet in executive session.

#### **G. Director Orientation and Continuing Education**

The Company should assist new directors in learning about the Company and its business and introduce them to the Company's senior management. The Company encourages directors to participate in continuing education programs focused on the Company's business and industry and legal and ethical responsibilities of board members. The Company, at its discretion, will reimburse directors for reasonable expenses incurred in connection with such education programs.

#### **H. Board Compensation**

The Board, upon the recommendation of the Compensation Committee, approves the form and amount of cash- and equity-based and other compensation to be paid to the non-employee members of the Board.

#### **I. Stock Ownership Requirements**

The Board strongly encourages the directors to own shares of the Company. The Company may establish a policy requiring ownership by directors of the Company's shares.

#### **J. Board Communication with Company Stakeholders**

- 1. Communications with Stakeholders.** The Board believes that management speaks for the Company. Each director should refer all inquiries from the press or others regarding the Company's operations to management. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this with knowledge of management and, in most instances, only at the request of management.
- 2. Stockholder Communications with Independent Directors.** Stockholders and any interested party may communicate directly with the independent directors either by writing to the Board, a Board committee, or an individual director at the Company's principal executive offices or by emailing directors@tarsusrx.com. Management receives all letters and emails sent and forwards proper communications to the Board, a Board committee, or an individual director, who facilitates an appropriate response. Management generally will not forward communications that are primarily solicitations for products or services, matters of a personal nature that are not relevant for stockholders, matters that are of a type that render them improper or irrelevant to the functioning of the Board, or requests for general information about the Company.
- 3. Annual Meeting of Stockholders.** Each director is encouraged to attend the annual meeting of stockholders.

#### **K. Board Performance**

The Board, with the oversight of the Nominating and Corporate Governance Committee, undergoes a periodic evaluation process which includes evaluating (i) the performance of the Board as a whole, each Board committee and each individual director, and (ii) the qualifications and performance of Board members eligible for reelection. The Nominating and Corporate Governance Committee should report to the Board on the evaluation process, and the Board should consider and discuss the committee's report.

#### **L. Periodic Review of the Corporate Governance Guidelines**

The Nominating and Corporate Governance Committee periodically reviews the effectiveness of these corporate governance guidelines and recommends proposed changes to the Board.

\* \* \*