

## **CORPORATE GOVERNANCE GUIDELINES OF WIX.COM LTD.**

The following corporate governance guidelines have been approved and adopted by the Board of Directors (the “**Board**”) of Wix.com Ltd. (the “**Company**”), and together with the Company’s Articles of Association and Board committees’ (the “**Committees**”) charters, provide the framework for the governance of the Company.

It is hereby clarified, that for as long as the Company has adopted the Companies Regulations (Relief for Companies Traded on a Stock Exchange Outside of Israel), 5760-2000 (“**Relief Regulations**”), any requirements below from which the Company opted-out (relating to External Directors and Committee composition and participation) in accordance with the Relief Regulations, shall not apply.

### **I. Mission and Responsibilities of the Board**

The business and affairs of the Company shall be managed under the direction of the Board which may exercise all such powers of the Company and do all such lawful acts and things as are not by statute or by the Articles of Association required to be exercised or done by the shareholders. In addition to fulfilling its obligations in order to optimize shareholder value, the Board shall also maintain a sense of responsibility to the Company’s employees, user base and other participants in the Wix community. All of these responsibilities, however, are founded upon the successful perpetuation of the Company’s businesses.

In order to maximize long-term shareholder value, the Board’s primary responsibilities, in conjunction with its Committees, are to:

- (i) review, and where appropriate, approve and evaluate the financial and business strategies, and major corporate actions of the Company;
- (ii) oversee management policies and decisions, including the execution of the Company’s strategies;
- (iii) assess major risks facing the Company and review options for their mitigation;
- (iv) ensure that the Company’s business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations; and
- (v) select, evaluate and compensate the CEO and other senior officers of the Company and review management succession planning.

### **II. Director Qualifications and Selection; Board Structure**

The rules of the Nasdaq Stock Market (“**Nasdaq**”) permit the Company to follow its home country corporate governance standards with respect to certain practices. The Company has currently elected to apply the corporate governance rules of the Nasdaq other than (i) its quorum

requirement for shareholder meetings and (i) distribution requirements of annual and interim reports. Instead, the Company follows (i) Israeli law with respect to the quorum required for shareholder meetings and (ii) the generally accepted business practice in Israel to make annual and interim reports available through a public website. The Company may in the future follow additional home country corporate governance practices instead of some or all Nasdaq requirements.

1. *Independence and Other Qualifications/ External Directors*

A majority of the members of the Board must meet the criteria for independence required by Nasdaq (each, an “**Independent Director**”). In addition, pursuant to the Israeli Companies Law 5759 – 1999 (the “**Companies Law**”), the Company may be required to appoint at least 2 external directors (the “**External Directors**”) who shall also be Independent Directors. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the relationship that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and whether Board members satisfy the requirements for an Independent Director or External Director, as applicable.

The Board shall make an affirmative determination at least annually as to the independence of each director in accordance with Nasdaq rules. Nasdaq’s independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. In addition, the Board is also responsible for determining affirmatively that each independent director has no 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. 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.

2. *Board Size*

The Board will be comprised of not fewer than three and not more than nine directors, including External Directors if applicable, which the Board believes to be an appropriate size based on the Company’s present circumstances and its Articles of Association.

The actual number of directors within that range may be modified at any time by the Board of Directors. The Nominating and Corporate Governance Committee shall consider and make recommendations to the Board concerning the appropriate size of the Board. The Nominating and Corporate Governance Committee shall also consider candidates to fill new positions created by expansion and vacancies that occur by resignation, retirement or for any other reason.

3. Annual Review by Board Nominating and Corporate Governance Committee of Nomination of New Directors

The Nominating and Corporate Governance Committee will review with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and any perceived needs. This review will focus, among other things, on the following areas of Board composition: (i) diversity, age, background, skills and experience; (ii) personal qualities and characteristics, accomplishments and reputation in the business community; (iii) knowledge and experience in the markets in which the Company conducts business; (iv) ability and willingness to devote time to serve on the Board and its Committees; (v) knowledge and expertise in activities deemed relevant by the Board; (vi) fit of the individual's skills, experience and personality with those of other directors in maintaining an effective and responsive Board; and (vii) qualifications under applicable law.

The Nominating and Corporate Governance Committee will screen, select and consider director candidates in accordance with its charter and recommend such candidates to the Board. The Board itself will be ultimately responsible for selecting its own members and nominating them for election by shareholders, subject to the provisions of the Company's Articles of Association and applicable law.

4. Election of Directors by Shareholders

The directors (other than the External Directors, if applicable) will be elected each year by the shareholders at the annual general meeting of shareholders by a majority of votes cast except as otherwise required pursuant to Israeli law. The directors (other than any External Directors elected pursuant to the Companies Law) shall be divided into three classes, designated as class I, class II and class III. Each class of directors shall consist, as nearly as possible as determined by the Board, of one-third of the total number of directors constituting the entire Board. Any Director whose term has expired (upon the expiring of the term of such director's class) may be reelected to the Board. At each annual general meeting of the Company's shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors, will be for a term of office that expires on the third annual general meeting of the Company's shareholders following such election or re-election.

At the nomination by the Nominating and Corporate Governance Committee, the Board will propose a slate of nominees to the shareholders for election to the Board at such meeting. Between annual general meetings of shareholders, the Board may appoint directors to serve until the next such meeting.

## **II. Board Leadership and Term**

1. Chairperson of the Board and the CEO

The Board is free to select the Chairperson of the Board from among the Board members, in the manner and upon the criteria that it deems best for the Company at the time of selection. The Board does not have a policy on whether the role of the Chairperson and the CEO should be separate or combined and will make that determination based on what it believes to be in the best interests of the Company at the time, subject to applicable law.

2. Executive Session and Lead Director

The independent directors will meet at least four times per year in executive session. The Chairman should preside over these executive sessions unless the Chairman is also an Executive Director, in which case the Lead Director will preside at these meetings.

3. Lead Director

If the Chairman is not an independent director under the Nasdaq rules, or if the Board otherwise decides it is in the best interest of the Company, a Lead Director will be selected from the Independent Directors to serve until replaced by the Board. The duties of the Lead Director should include, but are not limited to, the following:

- presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the Independent Directors;
- serving as liaison between the Chairman and the Independent Directors;
- approving information sent to the Board;
- approving meeting agendas for the Board;
- approving meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- presiding over any portions of meetings of the Board at which the evaluation or compensation of the CEO is presented or discussed;
- presiding over any portions of meetings of the Board at which the performance of the Board is presented or discussed;
- having the authority to call meetings of the Independent Directors;
- if requested by major shareholders, ensuring that he or she is available for consultation and direct communication; and
- performing such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its duties.

4. Directors' Tenure Policy

Any director of the Company may resign at any time, by giving notice in accordance with applicable law.

In addition, the Board believes that it is in the best interests of the Company that any management director whose employment at the Company terminates for any reason (including normal retirement) and any director who has a change of employer or primary occupation, or whose occupational responsibilities are substantially changed from when the director was elected to the Board (excluding retirement), shall submit an undated offer of resignation to the Chairperson of the Board (such resignation may be accepted or rejected by the Board in accordance with the recommendation of the Nominating and Corporate Governance Committee, which will review whether the new occupation of the director is consistent with the specific rationale for originally selecting that individual).

5. Term Limits and Reelection

The Board does not believe it is appropriate or necessary to limit the number of terms a director may serve. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating and Corporate Governance Committee will periodically review each director's continuation, which will also allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

**III. Duties of Board Members**

1. Director Responsibilities

The basic responsibility of all directors is to exercise their business judgment to act in what they reasonably believe to be in the best interest of the Company and its shareholders. This is an active, and not passive, duty that requires commitment from the directors. In discharging their obligations, directors are entitled to rely on management and the advice of the Company's outside advisors and auditors, but must at all times have a reasonable basis for such reliance. The directors will also be entitled to be covered by reasonable directors' and officers' liability insurance purchased by the Company on their behalf; to the benefits of indemnification to the fullest extent permitted by law and any indemnification agreements; and to exculpation as provided by law.

In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over the interests possessed by a director. The Company has adopted a Code of Conduct (the "**Code**") and directors are expected to adhere to the Code.

The proceedings and deliberations of the Board and its Committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

2. Director Time Commitment

Directors must be willing to devote sufficient time and effort to learning the business of the Company and the Board, and must ensure that other existing and planned future commitments do not materially interfere with his or her service as a director. Directors are expected to attend Board meetings and meetings of Committees on which they serve, and to meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or Committee meeting generally shall be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

Management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its Committees and should arrive prepared to discuss the issues presented.

3. Service on Other Boards

The Board does not believe that its members should be prohibited from serving on boards and/or Committees of other organizations, and the board has not adopted any guidelines limiting such activities. However, the Nominating and Corporate Governance Committee and the Board shall take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors for election (or reelection) and making their recommendations to the Company's shareholders. In addition, notwithstanding the foregoing, no member of the Audit Committee shall serve on the Audit Committee of more than three public companies without the approval of the Board.

4. Director Orientation and Continuing Education

In furtherance of its policy of having major decisions made by the Board as a whole, the Company will implement a continuing education program for Board members that includes meetings with members of senior management. Each new director should participate in an orientation program that should be conducted promptly following the meeting at which a new director is elected. The orientation may include presentations by senior management to familiarize each new director with the Company's strategic plans; its significant financial, accounting and risk management issues; its compliance programs; its Code of Conduct; its principal officers; and its internal and independent auditors.

The directors shall also attend ongoing corporate governance and other educational programs related to their service on the Board.

#### **IV. Board Compensation and Share Ownership**

Upon the recommendation of the Compensation Committee, the Board shall adopt a compensation policy in accordance with Israeli law that specifies the basis upon which the directors are compensated. The Board, based on the recommendation of the Compensation Committee, shall also determine whether to adopt a share ownership policy in order to foster a meaningful ownership position in the Company by directors and executive officers over time. These Policies will be subject to shareholder approval to the extent required by the Companies Law.

#### **V. Board Meetings and Communications**

##### **1. Agendas**

The Chairperson of the Board, if there be one, shall preside over and set the agenda for all meetings of the shareholders and, subject to any role required from the Lead Director, the Board. The Chairperson of the Board shall also perform such other duties and may exercise such other powers as may from time to time be assigned by the Company or the Board.

##### **2. Attendance of Board Meetings**

The number of scheduled Board meetings will vary with circumstances, provided that the Board shall convene at least once every three calendar months. In addition, special meetings are called as necessary. It is the responsibility of the directors 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. A director who is unable to attend a meeting is expected to notify the Chairperson of the Board or the Chairperson of the appropriate Committee in advance of such meeting.

##### **3. Board Material Distribution**

Board materials related to agenda items should, to the extent practicable, be distributed to the Board sufficiently in advance of Board meetings to allow the directors to prepare for discussion of the items at the meeting, which shall generally mean at least 2 business days in advance of the meeting.

##### **4. Attendance of Non-directors at Meetings**

The Board, as appropriate in its judgment, may invite senior officers of the Company and third parties to attend Board meetings in accordance with applicable law.

##### **5. Access to Management and Independent Advisors**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent deemed appropriate by the director, inform the CEO that such communications are taking place.

In their sole discretion, the Board and each of its Committees shall have the sole authority and responsibility to select, employ, retain and terminate any financial, legal, executive search, consulting and other professional advisors as they deem necessary or appropriate to assist in the discharge of their responsibilities. The Company shall provide funding to cover the professional fees and reasonable expenses of any such independent advisors retained by the Board or any of its Committees.

6. Communications with the Media

The Board believes that the Company's management and the Chairman of the Board or Lead Director speak for the Company. In order to ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Company and its stockholders and other constituencies that could result from inconsistent communications, the members of the Board will not respond to media inquiries or make statements to the media regarding the Company and its business without consultation with, and approval by, the Chairman of the Board or Lead Director.

**VI. Evaluation and Succession**

1. Annual Performance Evaluation

The Directors should conduct a self-evaluation annually to determine whether they are functioning effectively. Each Committee of the Board should conduct a self-evaluation at least annually and report the results to the Board, acting through the Nominating and Corporate Governance Committee. Each Committee's evaluation should compare the performance of the Committee with the requirements of its written charter.

2. CEO Evaluation

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long and short term.

The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, the handling of extraordinary events and development of management. The criteria should ensure that the CEO's interests are aligned with the long-term interests of the Company's shareholders. The evaluation will be used by the



Compensation Committee in the course of its deliberations when considering the compensation of the CEO.

3. Management Succession

The Compensation Committee shall periodically review, evaluate and make recommendations regarding management succession and development including, among other things, an assessment of the experience, performance and skills for possible successors for the CEO, as well as policies regarding succession in the event of an emergency or the retirement of the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

**VII. Board Committees**

1. Establishment of Committees

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each of the members of these Committees will be independent directors under the criteria established by Nasdaq and any applicable laws and regulations. Additionally, if applicable, each Committee of the Board which exercises power of the Board must include at least one External Director, except that the Audit Committee and Compensation Committee of the Board must include all External Directors then serving on the Board.

Subject to limitations in the Company Articles of Association, the Board may from time to time establish additional committees as necessary or appropriate, delegating to such committees all or part of the Board's powers. In general, committees of the Board are utilized to focus on issues that may require more in-depth scrutiny. All significant findings of a committee are presented to the full Board for discussion and review.

2. Committee Charters and Responsibilities

Each committee will have its own charter. The charters will establish the purposes, goals and responsibilities of the Committees as well as qualifications for Committee membership, procedures for Committee member appointment and removal, Committee structure and operations and the Committee reporting to the Board. The charters will also provide that each Committee will annually evaluate its performance. Each charter will be published on the Company's corporate website.

The responsibilities of each Committee are periodically reviewed by each Committee and the Nominating and Corporate Governance Committee, which may recommend changes to the full Board for consideration.

3. Committee Meetings and Agendas

The Chairperson of each Committee, in consultation with the Committee members will determine the frequency and length of the Committee meetings consistent with any requirements set forth in the Committee's charter. The Chairperson of each Committee, in consultation with the appropriate members of the Committee and management, will develop the Committee's agenda. At the beginning of the year each Committee will establish a schedule of agenda subjects to be discussed during the year. The schedule for each committee will be furnished to all directors.

**VIII. Shareholder Access to the Board**

1. Communications with Non-Executive Directors

The Board has established policies and procedures for shareholders wishing to communicate with the Board. Any shareholder may send communications to the Board as a whole, the Independent Directors as a group, the Chairman (or Lead Director) or any other individual member of the Board or any Board committee by submitting those communications to the appropriate person or group at the following address:

Naama Kaenan, General Counsel  
c/o Corporate Secretary of Wix.com Ltd.  
Wix Campus, Building B, 7th Floor  
Tel Aviv, Israel, 6936024

Shareholders may also electronically submit their communications to the following email address: [Board\\_of\\_Directors@wix.com](mailto:Board_of_Directors@wix.com).

Each such communication should state the full name of the shareholder and, if shareholder is not a record holder of the Company's share, should be accompanied by appropriate evidence of share ownership (such as an accounting statement showing ownership of Wix shares).

Interested parties who wish to submit a communication to the Chairman (or Lead Director) or to the Independent Directors as a group may also submit communications to addresses set forth above. If the person submitting the communication is not a security holder and is submitting the communication as an interested party, the communication must state the nature of the person's interest in the Company.

The Corporate Secretary of the Company reviews all such correspondence and regularly forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary, deals with the functions of the Board or committees thereof or that the Corporate Secretary otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board and request copies of any such correspondence. Typically, the Corporate Secretary would not forward to the Board communications of a personal nature or not related to

the duties and responsibilities of the Board, including junk mail, mass mailings, advertisements, magazines, solicitations, job inquiries, opinion surveys or polls.

Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Chair of the Audit Committee and handled in accordance with procedures established by the Audit Committee with respect to such matters

## 2. Shareholder Recommendations for Board Candidates

Subject to Company's Articles of Association, shareholders wishing to recommend candidates to be nominated for election to the Company's Board by shareholders at the general meeting of shareholders may do so by sending to the attention of the Chairman of the Nominating and Corporate Governance Committee at the above address the following: (a) the candidate's name, age, business address, residence address and telephone number; (b) the candidate's principal occupation; (c) the class and number of shares of the Company owned by the candidate; (d) a description of the candidate's qualifications to be a director; (e) whether the candidate would be an independent director; (f) any other information the shareholder deems relevant with respect to the recommendation, and (g) an acknowledgement from the candidate that he or she would be willing to serve on the Board.

The decision whether to recommend a director candidate is within the discretion of the Nominating and Governance Committee.

Shareholder recommendations provided to the Chairman of the Nominating and Corporate Governance Committee within the timeframe set forth in the Articles of Association will be reviewed using the nominating process outlined in the Nominating and Corporate Governance Committee charter.

## **IX. Corporate Code of Conduct**

The Board has established and is responsible for maintaining the Company's Code of Conduct, which covers, among other things, the Company's policies concerning:

- Conflicts of interest;
- Corporate opportunities;
- Confidentiality;
- Fair dealing;
- Protection and proper use of Company assets;
- Compliance with laws, rules and regulations (including insider trading laws); and
- Encouraging the reporting of any illegal or unethical behavior.

The Board, with advice and recommendations from the Nominating and Governance Committee, will periodically review and evaluate the Code of Conduct and make such changes therein as it finds to be necessary or appropriate.

## **X. Administration of Corporate Governance Guidelines**

### **1. Periodic Review of the Guidelines**

These guidelines shall be reviewed annually by the Nominating and Corporate Governance Committee, with a report to the full Board of the Nominating and Corporate Governance Committee's findings and recommendations. If necessary, these guidelines will be revised and updated by the Board, based upon the recommendations of the Nominating and Corporate Governance Committee.

### **2. Availability**

These guidelines will be posted on the Company's corporate website at [www.wix.com](http://www.wix.com).

Last updated: November 13, 2018.