



PACIFICBIOSCIENCES®

PACIFIC BIOSCIENCES OF CALIFORNIA, INC.

BOARD OF DIRECTORS

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

Purpose

The Corporate Governance and Nominating Committee (the “**Committee**”) shall (i) oversee, review, and make periodic recommendations concerning the Company’s corporate governance policies, (ii) recommend candidates for election to the Company’s Board of Directors (the “**Board**”) and for appointment to each committee of the Board; and (iii) oversee the evaluation of the Board.

Committee Membership

The Committee shall be comprised of at least two independent directors each of whom shall satisfy the “independence” requirements of The Nasdaq Stock Market, Inc. The members shall be appointed by action of the Board and shall serve at the discretion of the Board. Members of the Committee shall serve until their successors are duly elected and qualified or their earlier resignation. The Committee may form and delegate authority to subcommittees when appropriate.

Responsibilities and Duties

The Committee shall be responsible for:

A. Board Composition, Evaluation and Nominating Activities.

1. Evaluating and making recommendations regarding the size and composition of the Board to ensure that the Board reflects the knowledge, experience, skills, expertise, and diversity required for the Board to fulfill its duties.
2. Identifying and recommending qualified individuals for Board membership and determining the relevant criteria for Board membership including issues of character, integrity, judgment, diversity, age, independence, skills, education, expertise, business acumen, business experience, length of service, and understanding of the Company’s business.
3. Establishing procedures for the nomination process.
4. Considering and recommending nominees to stand for election at the annual meeting of stockholders.
5. Considering the Board’s leadership structure, including the separation of the Chairman and Chief Executive Officer roles and/or appointment of a lead independent director of the Board, either permanently or for specific purposes, and making such recommendations to the Board with respect thereto as the Committee deems appropriate.

B. Board Committees.

1. Reviewing and making recommendations to the Board regarding the composition and membership of each Board committee, and identifying and recommending to the Board persons to be members and chairpersons of the various committees.

2. Reviewing annually the structure and composition of each committee of the Board and making recommendations, if any, to the Board for changes to the committees of the Board, including changes in structure, composition or mandate of committees, as well as the creation or dissolution of committees.

C. Corporate Governance.

1. Overseeing the Company's corporate governance practices, including reviewing and recommending to the Board for approval any changes to the Company's corporate governance framework, including its certificate of incorporation and bylaws.
2. Evaluating the participation of members of the Board in orientation and continuing education activities in accordance with applicable listing standards.
3. Reviewing the disclosure included in the Company's proxy statement regarding the Company's director nomination process and other corporate governance matters.
4. Reviewing any proposals properly submitted by stockholders for action at the annual meeting of stockholders and recommending to the Board actions to be taken in response to each such proposal.
5. Reviewing Board indemnification matters.
6. Reviewing annually the Company's corporate governance guidelines and recommending changes to the Board as appropriate.

D. Conflicts of Interest.

1. Considering questions of possible conflicts of interest of Board members and of corporate officers.
2. Reviewing actual and potential conflicts of interest of Board members and corporate officers, other than related party transactions reviewed by the Audit Committee.

E. Committee Charter Review. Reviewing and reassessing the adequacy of this Charter annually.

F. Performance Review.

1. Reviewing and assessing the performance of the Committee on an annual basis.
2. Conducting an annual assessment procedure relating to the performance of both the Board as a whole and its individual members and conveying the results of such assessment to the Board.

Meetings

The Committee will meet as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities. The Committee may meet either in person or telephonically, and at such times and places as the Committee determines. The Committee may act by unanimous written consent (which may include electronic consent) in lieu of a meeting in accordance with the Company's bylaws. The Committee may establish its own meeting schedule, which it will provide to the Board. The Committee may invite to its meetings other Board members, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities.

Minutes

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

Committee Reports

A summary of actions taken at each Committee meeting shall be presented to the Board at the next Board meeting.

Resources and Authority

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve fees and other retention terms of search firms to identify director candidates. In addition, the Committee may retain, as appropriate and at the Company's expense, outside legal, accounting or other advisors to advise or assist the Committee in the performance of any of the responsibilities and duties set forth above.

Compensation

Members of the Committee shall receive such compensation, if any, for their service as Committee members as may be determined by the Board in its sole discretion.