

Virgin Galactic Holdings, Inc.
Corporate Governance Guidelines

The Board of Directors (the “**Board**”) of Virgin Galactic Holdings, Inc. (the “**Company**”) has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s certificate of incorporation, bylaws and other corporate governance documents, as well as the stockholders’ agreement among Vieco USA, Inc., SCH Sponsor Corp., Chamath Palihapitiya (together, the “**Voting Parties**”) and the Company (as may be amended or restated, the “**Stockholders’ Agreement**”), for so long as such agreement is in effect. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

I. The Board of Directors

A. Independence of the Board

Except as otherwise permitted by the applicable New York Stock Exchange (“**NYSE**”) rules, the Board will be comprised of a majority of directors who qualify as independent directors (the “**Independent Directors**”) as required under NYSE rules.

B. Separate Sessions of Independent Directors

The Independent Directors will meet in executive session without non-Independent Directors or management present on a regularly scheduled basis, but no less than twice per year.

C. Lead Independent Director

If the Chairperson of the Board is a member of management or does not otherwise qualify as independent, the Independent Directors may elect a lead independent director. The lead independent director’s responsibilities include, but are not limited to: presiding over all meetings of the Board at which the Chairperson of the Board is not present, including any executive sessions of the Independent Directors; approving Board meeting schedules and agendas; and acting as the liaison between the Independent Directors and the Chief Executive Officer and Chairperson of the Board. At such times as the Chairperson of the Board is an Independent Director, the Chairperson of the Board will serve as lead independent director. The Board may modify its leadership structure in the future as it deems appropriate.

D. Director Qualification Standards

In evaluating the suitability of individual candidates (both new candidates and current Board members, as well as any director candidates identified by the Voting Parties pursuant to the Stockholders’ Agreement), any committee (a “**Nominating Committee**”) of the Board responsible

for such evaluation and recommendation of candidates for election, and the Board, in evaluating and approving (and, in the case of vacancies, appointing) such candidates, may take into account many factors and seek individuals with backgrounds and qualities that, when combined with those of the Company's incumbent directors, provide a blend of skills and experience to further enhance the effectiveness of the Board. It is expected that consideration will be given to: individual qualifications, including, but limited to: relevant career experience; strength of character; judgment; familiarity with the Company's business and industry; independence of thought; ability to work collegially; and diversity of background and perspective, for example, with respect to age, gender, race, place of residence, specialized experience and global perspective; and all other factors deemed appropriate. Such other factors may include, but are not limited to: existing commitments to other businesses; potential conflicts of interest with other pursuits; legal considerations; corporate governance background; financial and accounting background; executive compensation background; relevant industry experience and technical skills; and the size, composition and combined expertise of the existing Board. In determining whether to recommend a director for re-election, the director's past attendance at meetings and participation in and contributions to the activities of the Board may also be considered. Each individual will be evaluated in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the Company's business and the composition of the Board will be monitored so that it has the necessary tools to perform its oversight function effectively in light of the Company's business and structure.

E. Director Orientation and Continuing Education

Management will provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management will provide opportunities for additional educational sessions for directors on matters relevant to the Company and its business.

F. No Specific Limitation on Other Board Service

The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities. However, any Nominating Committee or the Board, as applicable, may take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors. Prior to accepting any position on the board of directors of any organization, whether for-profit or not-for-profit, current directors should notify the Chairperson of the Board or a member of the Company's legal department identified on Schedule A (each an "**Authorized Officer**"). An Authorized Officer shall review the proposed board membership to ensure compliance with applicable laws and policies.

No member of the audit committee of the Board (the "**Audit Committee**") may serve on more than three public company audit committees (including the Company's Audit Committee) unless the Board (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee and (ii) discloses such determination either on or through the Company's website or in its annual proxy statement.

Service on other boards and/or committees should be consistent with the Company's

conflict of interest policies.

G. Directors Who Resign or Materially Change Their Current Positions With Their Own Company 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, resigns or materially changes the director's position with the director's employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should notify an Authorized Officer along with the Board or, if applicable, any Nominating Committee of such circumstances. In the case of any director designated by Vieco USA, Inc. or Chamath Palihapitiya pursuant to the Stockholders' Agreement, then Vieco USA, Inc. or Chamath Palihapitiya, as applicable, will recommend to the Board whether such resignation should be accepted. In the case of any other director, an Authorized Officer along with the Board or any Nominating Committee, as applicable, will consider the circumstances, and may in certain cases recommend that the Board request that the director submit the director's resignation from the Board if, for example, continuing service on the Board by the individual is not consistent with the criteria deemed necessary for continuing service on the Board.

H. Term Limits

As each director is periodically subject to election by stockholders, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

I. Director Responsibilities

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees. Each director is expected to spend the time and effort necessary to properly discharge the director's responsibilities.

J. Compensation

The Board believes that director compensation should fairly pay directors for work required in a business of the Company's size and scope, and that compensation should align directors' interests with the long-term interests of stockholders. The Board or, as applicable, a committee of the Board will review and make recommendations to the Board regarding the cash and equity compensation of directors. The Company's executive officers shall not receive additional compensation for their service as directors.

Except as otherwise permitted by the applicable NYSE rules, members of the Audit Committee and any compensation committee of the Board, as applicable, may not directly or indirectly receive any compensation from the Company other than their directors' compensation, including any compensation for service on committees of the Board and the receipt of equity incentive awards.

K. Stock Ownership

The Company encourages directors to own shares of the Company's stock. However, the number of shares of the Company's stock owned by any director is a personal decision and, at this time, the Board has chosen not to adopt a policy requiring ownership by directors of a minimum number of shares.

L. Board Access to Senior Management

The Board will have complete access to Company management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through an Authorized Officer, the Chief Executive Officer, the Chairperson of the Board or any lead independent director. If none are available or none are appropriate, the director may directly initiate such meeting or contact themselves. To the extent appropriate, such contact, if in writing, should be copied to an Authorized Officer.

M. Board Access to Independent Advisors

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to any such advisors, whether retained by the Company or directly by the Board, that the Board considers necessary to discharge its responsibilities.

N. Board and Committee Self-Evaluation

The Board and its committees will conduct a self-evaluation to determine whether it and its committees are functioning effectively as required by any applicable law or rules of the NYSE. The Board or, to the extent required by the applicable NYSE rules, a committee of the Board, will annually oversee an assessment of the Board and its committees.

II. Board Meetings

A. Frequency of Meetings

The Board will meet at least four (4) times annually. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of directors to attend meetings of the Board.

B. Director Attendance

A director is expected to spend the time and effort necessary to properly discharge the director's responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of the non-management and the Independent Directors, if applicable), 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, and, whenever possible, participate in such meeting via teleconference.

C. Attendance of Non-Directors

The Board encourages the Chairperson of the Board or of any committee to invite Company management and outside advisors or consultants from time to time to participate in Board and/or committee meetings to (i) provide insight into items being discussed by the Board that involve the manager, advisor or consultant, (ii) make presentations to the Board on matters that involve the manager, advisor or consultant, and (iii) bring managers with high potential into contact with the Board. Attendance of non-directors at Board meetings is at the discretion of the Board.

D. Advance Receipt of Meeting Materials

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

III. Committee Matters

The Board currently has an Audit Committee. From time to time and depending upon the circumstances and applicable NYSE rules, the Board may form a new committee or disband a current committee. Each committee will perform its duties as assigned by the Board in compliance with the Company's bylaws, the committee's charter and the applicable NYSE rules. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

IV. Succession Planning

The Board (or a committee delegated by the Board) will work on a periodic basis with the Chief Executive Officer to evaluate the Company's succession plans for the Chief Executive Officer and, as may be necessary or advisable, other executive officers.

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Effective Date: October 25, 2019

Schedule A

Authorized Officers

1. General Counsel
2. Jeri Rouse Looney
3. Vanessa Chandler