

# **WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY**

## **Corporate Governance Guidelines**

### **1. Introduction**

The Board of Directors (the “Board”) of Willis Towers Watson Public Limited Company (the “Company”) has developed and adopted the following set of corporate governance guidelines (these “Guidelines”) to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. In recognition of the continuing development of corporate governance best practices, these guidelines will be periodically reviewed by the Corporate Governance and Nominating Committee and, if appropriate, recommendations for revision will be made by such committee to the Board.

### **2. Responsibilities and Role of the Board**

The primary responsibility of the Board is to oversee the affairs of the Company in accordance with applicable laws, rules and regulations, including the listing standards of the NASDAQ Stock Market (“NASDAQ”). The role of the Board is to monitor the effectiveness of management’s policies and decisions, including the execution of its strategies towards maximizing the Company’s long-term value for the benefit of shareholders.

All of the Company’s directors owe a duty of loyalty to the Company to ensure that the best interests of the Company take precedence over any interests possessed by the directors. The directors, in discharging their duties, are required to exercise the skill and care which may be reasonably expected of a person with that director’s skills and experience.

### **3. Board Composition**

In accordance with the Company’s Memorandum and Articles of Association (as amended, restated or otherwise modified from time to time, the “Articles”), the number of directors shall not be less than two nor more than 12, with the exact number of directors to be determined from time to time solely by the Board by a resolution of the Board passed in accordance with the Articles. A majority of the Board will consist of directors who the Board has determined have no material relationship with the Company and who qualify as “independent” under the listing standards of the NASDAQ. The Corporate Governance and Nominating Committee and the Board will also consider the Director Independence Standards set forth in Appendix I to these guidelines in determining the independence of a director.

The Board, with assistance from its Corporate Governance and Nominating Committee, will undertake an annual review to evaluate the independence of its non-employee directors and the independence standards to be applied. In advance of the meeting at which this review occurs, each non-employee director will be asked to provide the Board with full information regarding the director’s business and other relationships with the Company and its affiliates and senior management and their affiliates to enable the Board to evaluate that director’s independence.

### **4. Board Leadership**

The Board makes decisions about the selection of the Company’s Chairman and the Company’s Chief Executive Officer based on its judgment as to the best interests of the Company at any given point in

time. When the Chairman and the Chief Executive Officer are the same individual, or when the Chairman otherwise does not qualify as an independent director under the NASDAQ rules, the independent and non-management directors will select from among the independent directors a Presiding Independent Director to convene executive sessions and to perform the tasks outlined below. The Presiding Independent Director shall be elected to a term commencing upon his or her election by the independent and non-management directors and ending on the date that is one year after such election, or upon his or her earlier death, resignation, removal or disqualification as an independent director. The Chief Executive Officer reports to the Board and not to the Chairman, the Presiding Independent Chairman or any other individual director.

## **5. Selection of Directors**

***Nominations.*** The Board is responsible for nominating individuals for election to the Board and for filling vacancies on the Board that may occur between annual general meetings of shareholders. The Company's shareholders may nominate a person for election to the Company's Board in accordance with the provisions of the Company's Articles or may propose an individual to the Corporate Governance and Nominating Committee for its consideration as a nominee for election to the Board. See [Section 22](#) for more information. The Corporate Governance and Nominating Committee is responsible for identifying, considering and recommending candidates to the Board for Board membership, including shareholder nominations or proposals received, subject to the majority of the Board remaining independent. The Corporate Governance and Nominating Committee will use the Director Selection Process set out in [Appendix II](#) to these guidelines in performing its selection function.

***Criteria.*** The Board, based on the recommendation of the Corporate Governance and Nominating Committee, will select new nominees for the position of director by reference to its Director Qualification Standards set out in [Appendix III](#) to these guidelines.

***Orientation and Continuing Education.*** Senior management, working with the Board, will provide an orientation process for new directors, including background material on the Company, its business and its risk profile, and meetings with senior management. Periodically senior management will prepare additional internal educational sessions for directors, and directors will be encouraged to participate in external educational programs sourced for directors on matters relevant to the Company and to the exercise of the duties of a director.

## **6. Election Term**

Pursuant to the Company's Articles, directors are elected annually and hold office until the next annual general meeting of shareholders unless they are earlier removed or resign before that meeting. The Board has not established limits on the number of terms a director may serve. Directors will generally be expected to serve for not less than three years.

## **7. Director Elections**

*In an uncontested election:* Directors are elected by the affirmative vote of a majority of the votes cast by shareholders at the annual general meeting and serve until the next following annual general meeting. Any nominee for director who does not receive a majority of the votes cast is not elected to the Board.

*In a contested election:* Directors are elected by a plurality of the votes cast by shareholders. Director nominees who receive the most “for” votes are elected to the Board until all Board seats are filled and each elected director serves until the next annual general meeting.

## **8. Retirement of Directors**

The Board has not established a mandatory retirement age for directors.

## **9. Other Directorships**

The Company values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director’s time and availability and may present conflicts or legal issues. Accordingly,

- 9.1 Each director (other than the Company’s Chief Executive Officer), may serve on no more than three publicly-traded company boards of directors in addition to the Company’s Board. Directors should advise the Chairman, the Chief Executive Officer, the Presiding Independent Director (if any) and the chair of the Corporate Governance and Nominating Committee before accepting membership on other boards of directors or other significant commitments involving any affiliation with other businesses or governmental units.
- 9.2 The Company’s Chief Executive Officer must seek the approval of the Corporate Governance and Nominating Committee before serving on any other public company board and in no event may serve on more than one publicly-traded company board in addition to the Company’s Board without the consent of the full Board, with service on more than one outside publicly-traded company board requiring the approval of the full Board. He or she should advise the Chairman, the Chief Executive Officer, the Presiding Independent Director (if any) and the chair of the Corporate Governance and Nominating Committee before accepting significant commitments involving any affiliation with other businesses or governmental units.

As discussed further in Section 16 below, directors will also advise the Chairman, the Chief Executive Officer, the Presiding Independent Director (if any) and the chair of the Corporate Governance and Nominating Committee before accepting an invitation to serve on the audit committee of any other public company board.

## **10. Directors Who Change Their Job Responsibilities**

A Board member who ceases to be actively employed in his or her principal business or profession, or experiences other materially changed circumstances is expected to offer his or her resignation in writing to the Corporate Governance and Nominating Committee, with a copy to the Company’s General Counsel. The Corporate Governance and Nominating Committee shall consider such changed circumstances in evaluating the appropriate mix of skills and experience necessary for the Board to perform its duties effectively and shall make a recommendation to the Board, which will decide the action, if any, to be taken with respect to the resignation.

## **11. Board Meetings**

**General.** The Board anticipates holding at least four meetings annually with further meetings to occur at the discretion of the Board.

**Agenda.** The Chairman and the Chief Executive Officer, in consultation with the Presiding Independent Director (if any), will establish the agenda for each Board meeting and distribute the agenda in advance of the meeting. Directors may suggest additional agenda items and may raise at any meeting subjects that are not on the agenda.

**Meeting Materials.** Management is responsible for assuring that information and data that are important to the Board's understanding of the Company's business and to all matters expected to be considered and acted upon by the Board be distributed in writing to the Board sufficiently in advance of each Board meeting and each action to be taken by written consent to provide the directors a reasonable time to review and evaluate such information and data. Management will make every attempt to see that this material is as concise as possible while still providing the desired information. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written material may not be available in advance. To prepare for meetings, directors should review these materials in advance.

## **12. Attendance and Participation in Meetings**

**Attendance.** All directors should make every effort to attend meetings of the Board and its committees on which they serve as well as meetings of the Company's shareholders. Directors may attend by telephone or video conference.

**Participation.** Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of its committees on which he or she serves. Upon request, senior management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business.

## **13. Confidentiality**

The proceedings and deliberations of the Board and its committees are confidential. Each director is expected to maintain the confidentiality of materials and information received in connection with his or her service as a director.

## **14. Executive Sessions of Independent Directors; Position of Chairman; Position of Presiding Independent Director**

Executive sessions of independent directors without senior management will occur at least twice a year, and perhaps more frequently, in conjunction with regularly scheduled board meetings. The Chairman, if independent, or the Presiding Independent Director (if any) shall serve as the chair of each executive session and is responsible for convening and presiding over executive sessions and setting the agenda. Any independent or non-management director may request that an executive session be held, and upon notice reasonable under the circumstances, the Chairman, if independent, or the Presiding Independent Director shall convene such a session.

The Chairman shall convene and preside at all meetings of the Board. In the Chairman's absence, the directors who are present shall select a chairman for the meeting among themselves to preside at the meeting. In addition, the Chairman, if he or she qualifies as independent under NASDAQ rules, or, if not, the Presiding Independent Director, shall:

- 14.1 Convene and preside at executive sessions of the independent and non-management directors;
- 14.2 Serve as principal liaison on board-related issues between the independent and non-management directors and the Chairman and the Chief Executive Officer; and, shall provide the Chairman and the Chief Executive Officer with feedback from executive sessions;
- 14.3 Discuss with the Chairman and the Chief Executive Officer prior to board meetings the information to be provided to directors and review and approve such information;
- 14.4 Approve board meeting agenda items and, with the Chairman and the Chief Executive Officer, propose for Board approval the Board's calendar including the number and frequency of board meetings, with regard to ensuring that there is sufficient time for discussion of all agenda items. The Presiding Independent Director (and any Director) may request inclusion of additional agenda items;
- 14.5 Recommend to the Board the retention of outside advisors and consultants who report directly to the Board on board-related issues;
- 14.6 Consult with the Chairman and the Corporate Governance and Nominating Committee on the appointment of chairs and members for board committees;
- 14.7 Be available for consultation and communication with shareholders in appropriate circumstances, as instructed by the Board; and
- 14.8 Perform such other functions and responsibilities as requested by the Board from time to time.

## **15. The Committees of the Board**

**General.** The Company has an Audit Committee, a Compensation Committee, a Risk Committee and a Corporate Governance and Nominating Committee to nominate directors to the Board as required by the listing standards of the NASDAQ. In addition, the Board may have such other committees as the Board shall determine.

**Charters and Other Requirements.** Each of the Audit Committee, the Compensation Committee, the Risk Committee and the Corporate Governance and Nominating Committee has a written charter, each of which satisfies the applicable NASDAQ rules. These charters can be found on the Company's website at [www.willistowerswatson.com](http://www.willistowerswatson.com). The Audit Committee also satisfies the requirements of Rule 10A-3 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

**Membership.** Each of the Audit Committee, the Compensation Committee, the Risk Committee and the Corporate Governance and Nominating Committee shall be composed of at least three directors, each of whom the Board has determined have no material relationship with the Company and each of whom is otherwise "independent" under the NASDAQ and SEC rules, as applicable. The required qualifications for the members of each committee shall be set out in the respective committees' charters.

A director may serve on more than one committee for which he or she qualifies. The appointment of directors as members of these committees, together with the chair of each committee, shall be approved by the Board upon recommendation from the Corporate Governance and Nominating Committee, in consultation with the Chairman and the Presiding Independent Director (if any).

***Meetings and Agenda.*** Formal meetings of the Audit Committee, the Compensation Committee, the Risk Committee and the Corporate Governance and Nominating Committee shall generally be scheduled to coincide with regular Board meetings. The chair of each committee may call additional meetings, as required, and meetings may otherwise be called in accordance with any committee charter. All directors, whether members of a committee or not, are invited to make suggestions to a committee chairman for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chairman will give to the Board a report of the committee's activities since the preceding Board meeting. In the event that a committee chairman cannot attend a committee meeting, then he or she may appoint another committee member to serve as the chairman for that meeting. If the committee chairman is unable to appoint an alternate chairman, then a majority of the present committee members shall elect a member in attendance to chair that meeting.

## **16. Other Audit Committee Memberships**

No member of the Audit Committee may serve as a member of such Committee if such director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee and disclosure of this determination is made in the Company's annual proxy statement. Directors will advise the Chairman, the Chief Executive Officer, the Presiding Independent Director (if any) and the chair of the Corporate Governance and Nominating Committee prior to accepting an invitation to serve on the audit committee of any other public company board.

## **17. Evaluating Board and Board Committee Performance**

The Board will conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Corporate Governance and Nominating Committee periodically considers the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board will conduct a self-evaluation at least annually and report the results to the Board, acting through the Corporate Governance and Nominating Committee. Each committee's evaluation must compare the performance of the committee with the requirements of its charter.

The Corporate Governance and Nominating Committee will administer the evaluation process on behalf of the Board and its committees and oversee each committee's evaluation process.

## **18. Management Succession**

From time to time, the Board shall review and agree upon on a succession plan. To assist the Board, the Chief Executive Officer will present to the Corporate Governance and Nominating Committee a report on succession planning for all senior management with an assessment of senior management and their potential to succeed the Chief Executive Officer and other senior management positions. The Chairman, the Chief Executive Officer, the Presiding Independent Director (if any) and the chair of the Corporate Governance and Nominating Committee shall review the report with the Board. As a matter of policy, the Chief Executive Officer provides the Board, on an ongoing basis, his or her

recommendation as to a successor in the event he or she is no longer able to serve as Chief Executive Officer.

## **19. Executive Compensation**

*Evaluating and Approving Salary for the Chief Executive Officer.* The Board, acting through the Compensation Committee, evaluates the performance of the Chief Executive Officer and the Company against the Company's goals and objectives. The Board ratifies the compensation level of the Chief Executive Officer determined and approved by the Compensation Committee (or the Compensation Committee together with the other independent directors).

*Evaluating and Approving the Compensation of Senior Management.* The Board, acting through the Compensation Committee, evaluates the performance of senior management and approves the overall compensation policies applicable to senior management of the Company.

*Say-on-Pay.* Pursuant to Section 14A of the Exchange Act, the Company must conduct a shareholder advisory vote to approve named executive officer compensation, as disclosed in the Company's proxy statement for its annual general meeting of shareholders ("Say-on-Pay"), at least once every three years. Section 14A of the Exchange Act also requires the Company to conduct a shareholder advisory vote on the frequency of conducting future Say-on-Pay votes at least once every six years ("Say-on-Frequency"). After the 2017 Annual General Meeting of Shareholders, the Board agreed to provide shareholders with an annual Say-on-Pay vote, until the next Say-on-Frequency vote is required.

## **20. Board Compensation**

The Board periodically reviews the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity. The Compensation Committee will make recommendations to the Board on the compensation for non-employee directors, including the Chairman (when the position is not held by the Chief Executive Officer), the Presiding Independent Director (if any), committee chairpersons and committee members, after considering such independent advice as deemed advisable or necessary, consistent with any applicable requirements of the listing standards for independent directors and including consideration of cash and equity components of this compensation.

## **21. Contact with Senior Management**

All directors are encouraged to contact the Chief Executive Officer at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of senior management and are encouraged to speak to any member of senior management. The directors will co-ordinate all such access, as far as possible, through the Chief Executive Officer and will use their judgment to assure that this access is not unduly distracting to the business operations of the Company. The Board expects that there will be frequent opportunities for directors to meet with the Chief Executive Officer and other members of senior management in Board and committee meetings and in other formal or informal settings.

Further, the Board encourages senior management, from time to time, to bring employees into Board meetings who (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, or (b) should be given exposure to the Board.

## **22. Communications with Shareholders and Other Constituencies**

The Chief Executive Officer is responsible for establishing effective communications with the Company's stakeholder groups, including shareholders, the press, analysts, clients, suppliers, governments and representatives of the communities in which the Company operates. It is the policy of the Company for the Chief Executive Officer to appoint individuals to communicate and interact fully with these stakeholders. The Chairman or another spokesperson chosen by the Board will speak for the Board when the Board determines it is appropriate for the Board to have a distinct and separate spokesperson. Often the Board will look to senior management to speak for the Company; however, the Board is also committed to engaging with shareholders to promote open and sustained dialogue in a manner consistent with the Company's communications policies and procedures.

This policy does not preclude non-employee directors from communicating directly with shareholders or other constituencies about Company matters, although directors are expected to coordinate with the Chairman and senior management before doing so. An interested person may communicate with independent directors or the non-management directors as a group by writing to the Company Secretary, c/o Office of General Counsel, Willis Towers Watson Public Limited Company, 200 Liberty Street, New York, NY 10281 who will forward the communication to the director(s) to which it is addressed. All communications should include the following information:

- If the person submitting the communication is a security holder, a statement of the type and amount of the securities of the Company that the person holds;
- If the person submitting the communication is not a security holder and is submitting the communication as an interested party, the nature of the person's interest;
- The address, telephone number and e-mail address, if any, of the person submitting the communication.

Communications may be shared with Company management.

Please see the section "Shareholder and Other Proposals" in the Company's proxy statement (filed with the SEC or on the Company's website) for shareholders seeking to present a proposal for inclusion in the Company's proxy materials for the upcoming Annual General Meeting of Shareholders.

## **23. Ethical Code**

The Company has adopted a Code of Conduct (the "Code"). Certain portions of the Code deal with activities of directors, including with respect to transactions in the securities of the Company, potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the Code's provisions in these areas and should consult with the Company's General Counsel in the event of any issues.

## **24. Reliance on Senior Management and Outside Advice**

In performing its functions, the Board and its committees are entitled to rely on the advice, reports and opinions of senior management as well as outside counsel, accountants, auditors and other expert advisors. The Board and its committees shall have the authority to retain and approve the fees and retention terms of its outside advisors.



## **25. Share Ownership Guidelines**

***Non-Employee Directors.*** Non-employee directors are subject to share ownership guidelines, which require non-employee directors to accumulate shares at least equal to five times the annual cash retainer (*i.e.*, \$625,000), no later than eight years from the date of appointment to the legacy Willis Group Holdings Public Limited Company Board, the legacy Towers Watson & Co. Board or the Willis Towers Watson Public Limited Company Board, as applicable. The Compensation Policy and Share Ownership Guidelines for Non-Employee Directors is posted on the Company’s website under “Investor Relations – Corporate Governance.”

***Executive Officers.*** Executives are subject to the Company’s Executive Share Ownership Policy, pursuant to which executives must comply with their applicable guideline as soon as practical given their individual circumstances and no later than five years from (i) February 7, 2017 (the date of the implementation of the policy (*i.e.*, February 7, 2022)) or (ii) the date of the executive’s hiring or promotion (*i.e.*, becoming an executive officer of the Company), whichever is later. The Executive Share Ownership Policy is posted on the Company’s website under “Investor Relations – Corporate Governance.”

## **26. Compensation Recoupment Policy**

The Board has adopted a Compensation Recoupment Policy, pursuant to which the Board, or any Committee thereof, in its sole discretion, may recover incentive compensation awarded, earned or payable to an Operating Committee member or Section 16 officer. The Policy is posted on the Company’s website under “Investor Relations – Corporate Governance.” The Board reviews this Policy from time to time.

## **27. Prohibitions from Pledging Shares and Establishing Margin Accounts**

The Company prohibits directors and executive officers from pledging any Company shares or entering into margin accounts and prohibits all employees from engaging in hedging transactions, including short selling any Company shares, selling shares “against the box” and buying or selling puts or calls relating to Company shares.

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## APPENDIX I

### DIRECTOR INDEPENDENCE STANDARDS

The Board and the Corporate Governance and Nominating Committee will broadly consider all relevant facts and circumstances and will apply the applicable listing standards of the NASDAQ and rules of the SEC as well as the following categorical standards (subject to such listed standards and rules as amended from time to time):

1. The following relationships will not be considered to be material relationships that would impair a director's independence:

1.1 **Commercial Relationship:** If a director of the Company is an executive officer or an employee, or whose immediate family member is an executive officer or employee, of another company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, does not exceed the greater of US\$200,000 or 5% of such other company's consolidated gross revenues;

1.2 **Indebtedness Relationship:** If a director of the Company, or an immediate family member of a director of the Company, is an executive officer or employee of another company which is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness is less than 5% of the consolidated assets of the company wherein the director or the director's immediate family serves as an executive officer or employee;

1.3 **Equity Relationship:** If the director is an executive officer or employee or has an immediate family member who is an executive officer or employee of another company in which the Company owns a common stock interest, and the amount of the common stock interest is less than 10% of the total stockholders' equity of the company where the director serves as an executive officer; or

1.4 **Charitable Relationship:** If a director of the Company, or an immediate family member of a director of the Company, serves as a director, officer, trustee or employee of a charitable organisation, and the Company's contributions to the organisation in any single fiscal year are less than the greater of US\$200,000 or 5% of that organisation's gross revenues.

2. For relationships that do not meet the categorical standards of immateriality set forth in Section (1) above, but as to which the Board believes a director may nevertheless be considered independent, the determination of whether the relationship is material or not, and therefore whether the director would be independent, will be made by the directors who satisfy the independence guidelines set forth in the NASDAQ listing standards, SEC rules (as applicable) and Section (1) above. Pursuant to applicable rules, the Company will describe in its proxy statement, by specific category or type, any transactions, relationships or arrangements not otherwise disclosed that were considered by the Board in determining independence.

3. For the purposes of these standards, an "immediate family member" includes a person's spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, whether by blood, marriage or adoption, and someone who has the same residence as the person; except that when applying the independence tests described above, the Company need not consider individuals who are no longer immediate family members as a result of legal separation or divorce or those who have died or have become incapacitated.

## APPENDIX II

### DIRECTOR SELECTION PROCESS

The entire Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual general meetings of shareholders. The Corporate Governance and Nominating Committee (the “Committee”) is responsible for identifying, considering and recommending candidates to the Board for Board membership. The chair of the Committee will oversee this process. The Committee will generally use the following process when recruiting, evaluating and selecting new director candidates and considering shareholder nominations. The various steps outlined in the process may be performed simultaneously and in an order other than as presented below. Throughout the process, the Committee will keep the full Board informed of its process. The Company is committed to maintaining its policy of inclusion and diversity within the Board.

1. The Committee will review periodically the Board’s current and projected strengths and needs by, among other things, reviewing the Board’s current profile, its Director Qualification Standards and the Company’s current and future needs.
2. Using the results of the review, the Committee will prepare a target candidate profile.
3. The Committee will develop an initial list of director candidates and consider a number of sources when doing so, including the contact networks of the Board, shareholder recommendations, and, as appropriate, contacts or recommendations from a search firm.
4. The Committee will consider the director candidates to identify those individuals who best fit the target candidate profile and the Board’s Director Qualification Standards. From this review, the Committee will prepare a list of preferred candidates and present it to the full Board for input.
5. The Committee will determine if any director has a business or personal relationship with any of the preferred candidates that will enable the director to initiate contact with the candidate to determine his or her interest in being considered for membership to the Board. If necessary, the search firm assisting with the process will be used to initiate this contact.
6. Whenever possible, the chair of the Committee, at least one other independent member of the Board and the Chairman and the Chief Executive Officer will interview each interested preferred candidate.
7. A reference check will be performed on the candidate, and the candidate will undergo one or more interviews.
8. Depending on the results of the reference check and candidate interviews, the Committee will recommend to the Board that the candidate receive an invitation to join the Board.
9. Upon receiving any such recommendation, the Board will vote on whether to elect the candidate and, if approved, will extend or cause to be extended to the candidate an invitation to join the Board.

## APPENDIX III

### DIRECTOR QUALIFICATION STANDARDS

The Board should, at a minimum, consider the following factors in the nomination or appointment of members of the Board:

1. **Integrity.** Directors should have proven integrity and be of the highest ethical character and share the Company's values.
2. **Reputation.** Directors should have reputations (both personal and professional) that are consistent with the Company's image and reputation.
3. **Judgment.** Directors should have the ability to exercise sound business judgment on a broad range of issues.
4. **Knowledge.** Directors should be financially literate and have a sound understanding of business strategy, business environment, corporate governance and board operations.
5. **Experience.** In selecting directors, the Board should generally seek those persons with practical experience of large and complex divisions of publicly held companies, and leaders of major complex organisations, including scientific, accounting, government, educational and other non-profit institutions.
6. **Maturity.** Directors should value Board and team performance over individual performance, possess respect for others and facilitate superior Board performance.
7. **Skills and Personality.** In selecting directors the Board should consider the interplay of the individual's experience, skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company.
8. **Commitment.** Directors should be able and willing to devote the required amount of time to the Company's affairs, including preparing for and attending meetings of the Board and its committees. Directors should be actively involved in the Board and its decision-making.
9. **Independence.** Directors should be independent in their thought and judgment and be committed to represent the long-term interests of all of the Company's shareholders.