



WSP GLOBAL INC.

# AMENDED AND RESTATED CORPORATE GOVERNANCE GUIDELINES

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# TABLE OF CONTENTS

WSP GLOBAL INC.....	4
INTRODUCTION.....	4
A. BOARD RESPONSIBILITIES.....	4
B. EXPECTATIONS OF DIRECTORS .....	4
C. BOARD ORGANIZATION AND MEMBERSHIP .....	4
Chair of the Board .....	4
Lead Director Concept .....	4
Board Size.....	5
Independence of Directors.....	5
Serving on Multiple Boards, Attendance and Interlocks .....	5
Primary Employment Status Change .....	6
Term Limits and Retirement for Directors.....	6
Majority Voting for Directors.....	6
Criteria for Board Membership and in Executive Officer Nominations.....	7
Orientation and Continuing Education .....	8
Board Assessment.....	8
Board Compensation .....	8
Minimum Equity Ownership Requirement for Directors .....	8
D. BOARD AND COMMITTEE MEETINGS AND MATERIALS.....	9
Committee of the Board .....	9
Meetings and Agendas.....	9



<b>Meeting Materials</b> .....	<b>10</b>
<b>Non-Directors at Board and Committee Meetings</b> .....	<b>10</b>
<b>In Camera Sessions of Non-Employee Directors</b> .....	<b>10</b>
<b>Membership of Committtees</b> .....	<b>10</b>
<b>Oversight of Committee Functions</b> .....	<b>10</b>
<b>E. MANAGEMENT RESPONSIBILITIES</b> .....	<b>11</b>
<b>Board Relationship with Management</b> .....	<b>11</b>
<b>Selection of the CEO</b> .....	<b>11</b>
<b>Evaluation of the CEO</b> .....	<b>11</b>
<b>Management Share Ownership Requirements</b> .....	<b>11</b>
<b>F. ETHICS AND CONFLICTS OF INTEREST</b> .....	<b>12</b>
<b>G. COMMUNICATION POLICY</b> .....	<b>12</b>
<b>H. OUTSIDE ADVISORS</b> .....	<b>12</b>



## WSP GLOBAL INC.

### AMENDED AND RESTATED CORPORATE GOVERNANCE GUIDELINES

## INTRODUCTION

The following Amended and Restated Corporate Governance Guidelines (the "**Guidelines**") have been adopted by the Board of Directors (the "**Board**") of WSP Global Inc. (the "**Corporation**") to provide a framework for the effective governance of the Corporation. The Board reviews the Guidelines annually or more often if deemed necessary, and modifies them as necessary.

### A. BOARD RESPONSIBILITIES

The Board has responsibility for the stewardship of the Corporation and has adopted a formal mandate setting out the Board's stewardship responsibilities, including the Board's responsibilities for overseeing integrity and ethics, the appointment of the CEO, management of the Board, strategic and succession planning, monitoring corporate and financial performance, financial reporting, risk management and oversight of the Corporation's policies and procedures, communications, reporting and compliance with laws.

### B. EXPECTATIONS OF DIRECTORS

In performing the duties of the Board, Directors (the "**Directors**") are expected to use their skill and experience to provide oversight to the business of the Corporation. Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would in comparable circumstances.

Directors are generally expected to attend all Board and Committee meetings in person. It is acceptable, on an infrequent basis, for Directors to participate in such meetings by conference call if attendance in person is not possible. A Director shall notify the Chair of the Board or Committee and the Corporate Secretary if the Director will not be able to attend or participate in a meeting.

Directors are expected to review and be familiar with Board and Committee materials which have been provided in sufficient time for review prior to a meeting.

### C. BOARD ORGANIZATION AND MEMBERSHIP

#### CHAIR OF THE BOARD

The Board has determined to separate the positions of Chair of the Board ("**Chair**") and president and CEO. The Chair shall be appointed by the Board based on the recommendation of the Governance, Ethics and Compensation Committee (the "**GECC**"), the Committee of the Board that has been delegated the responsibility to assess candidates for the position. The Board has approved and shall periodically review a position description for the Chair.

#### LEAD DIRECTOR CONCEPT

At any time when the Chair is not an independent Director, the independent Directors shall select an independent Director to carry out the functions of a lead Director. This person would chair regular meetings of the



independent Directors and assume other responsibilities provided for in a position description approved by the Board and reviewed from time to time.

## **BOARD SIZE**

The size of the Board should enable its members to effectively and responsibly discharge their responsibilities to the Corporation. The Board must recognize that the Corporation's demands on its Directors may evolve with the development of the Corporation and that the size of the Board should be considered over time and within the context of the development of the Corporation and the Directors' responsibilities.

Although the maximum number of Directors permitted by the Corporation's Articles is ten (10), the Board has the ability to increase or decrease its size within the limits defined by the Articles of the Corporation and in accordance with applicable laws. The Board believes that a size of eight to ten (8-10) Directors is appropriate and that it would be willing to go to a somewhat larger size in order to accommodate the availability of an outstanding candidate(s). It is the view of the Board that this size is sufficient to provide a diversity of expertise and opinions and allow effective Committee organization, yet small enough to enable efficient meetings and decision-making and maximize full Board attendance. The Board shall review its size if a change is recommended by the GECC. The GECC is mandated to review the size of the Board from time to time and recommend changes in size to the Board when appropriate.

## **INDEPENDENCE OF DIRECTORS**

Boards function most effectively when individual Directors are free from conflicts of interest and exercise independent judgment in discharging their responsibilities. The Board shall be made up of a majority of independent Directors and no more than two (2) employees of the Corporation shall serve as Directors at any time.

In determining whether a Director is "independent" or not, the Board will refer to the applicable legal requirements and the rules of any stock exchange on which the Corporation's securities are listed for trading.

## **SERVING ON MULTIPLE BOARDS, ATTENDANCE AND INTERLOCKS**

The Corporation values the experience and perspective that Directors bring from their service on other boards, but also recognizes that other board memberships and activities may also limit a Director's time and availability and may present conflicts of interest or legal issues, including independence issues. As a general rule, Directors should limit their service as directors on publicly-held company and investment company boards to no more than five (including the Corporation's Board). Service on the boards of subsidiary companies with no publicly traded stock is not included in this calculation. Without specific approval from the Board, the Corporation's CEO may serve on no more than two public company boards (including the Corporation's Board). Furthermore, no Director shall serve as a Director, officer or employee of the Corporation's competitor. A Director wishing to join any other board of directors, whether a private or public corporation, must first request permission of the Chair of the Board so that the appropriate review can be undertaken to ensure that there is no potential conflict or any other legal or business concerns. Should it be the Chair of the Board who wishes to join any other board of directors, then such request shall be first made with the Chair of the GECC.



Each Director must have a combined attendance rate of 75% or more at Board and Committee meetings to stand for re-election unless exceptional circumstances arise such as illness, death in the family or other like circumstances, failing which such Director must tender a written offer to resign.

There shall be no more than two board and committee interlocks at any given time. A board interlock occurs when two of the Corporation's Directors also serve together on the board of another public company or investment company.

## **PRIMARY EMPLOYMENT STATUS CHANGE**

A non-management Director who makes a major change in his or her principal occupation shall inform the Board for consideration if such Director shall submit his or her resignation. It is not intended that the non-management Directors who retire or whose professional positions change should necessarily leave the Board; rather, the Board believes it is appropriate in such circumstances to conduct a review, with the assistance of the GECC, of the continued appropriateness of Board membership under such circumstances.

When the CEO or any other officer ceases to be an officer, such officer, if a Director, shall submit his or her resignation to the Board for consideration concurrent with ceasing to hold office with the Corporation. Whether that resignation is accepted shall be determined by the Board, taking into account the circumstances existing at that time.

## **TERM LIMITS AND RETIREMENT FOR DIRECTORS**

The Board does not believe that arbitrary term limits are appropriate, nor does it believe that Directors should expect to be re-nominated annually. On an ongoing basis a balance must be struck between ensuring that there are fresh ideas and viewpoints available to the Board while not losing the insight, experience and other benefits of continuity contributed by longer serving Directors.

## **MAJORITY VOTING FOR DIRECTORS**

The Directors have adopted a "Majority Voting Policy" to the effect that a nominee for election as a Director who receives less than a majority (50% +1) of the votes cast with respect to his or her election is expected to immediately tender his or her resignation to the Board. All proposed nominees and directors must agree to the terms of this policy in order to be nominated for election

The GECC will consider such resignation and its circumstances and make a recommendation to the Board to accept the resignation absent exceptional circumstances. The Board will announce its decision within ninety (90) days following such meeting of shareholders resulting in the resignation and will promptly issue a press release. The resignation will be effective only when accepted by the Board. The Director who offered to tender his or her resignation cannot participate in any meeting of the Board or Committee at which his or her resignation is considered.

The Majority Voting Policy does not apply to the election of Directors at any "contested meeting". A "contested meeting" is a meeting at which the number of Directors nominated for election is greater than the number of seats available on the Board.



## **CRITERIA FOR BOARD MEMBERSHIP AND IN EXECUTIVE OFFICER NOMINATIONS**

Each year the GECC reviews the composition of the Board in order to ensure that it has the best mix of skills and experience to guide the long-term strategy and the ongoing business operations of the Corporation.

The Corporation recognizes the importance and benefit of having a board of directors and senior management comprised of highly talented and experienced individuals having regard to the need to foster and promote diversity among board members and executive officers with respect to attributes such as gender, ethnicity, age, geographic location and other factors.

In support of this goal, the GECC will, when identifying candidates to nominate for election to the Board or in its review of executive officer succession planning and talent management:

- (a) consider individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities having regards to the Corporation's current and future plans and objectives, as well as anticipated regulatory and market developments;
- (b) consider criteria that promotes gender balance and diversity, including with regards to gender, ethnicity, age, geographical location, and other dimensions;
- (c) consider the level of representation of women on the Board and in executive officer positions along with markers of diversity when making recommendations for nominees to the Board or for appointment as executive officers and in general with regard to succession planning for the Board and executive officers; and
- (d) as required, engage qualified independent external advisors to assist the Board in conducting its search for candidates that meet the Board's criteria regarding skills, gender balance, experience and diversity.

To assist in this process, the GECC shall be mandated to consider as part of its policies and procedures:

- (a) the periodic evaluation and assessment of individual Directors as well as board committees and the Board as a whole to identify strengths and areas for improvement;
- (b) in consultation with the Board, the development and maintenance of a director skills matrix that identifies the skills and expertise required for the Board along with potential areas for growth and improvement;
- (c) measures designed to ensure that the nominee recruitment and identification processes are appropriate in terms of depth and scope to foster identification and progression of diverse candidates.

Specific targets or quotas for gender or other diversity appointments to the Board have not been adopted by the Board due to the need to consider a balance of criteria in each individual appointment. The Board will promote its diversity objectives through the initiatives set out in these Guidelines with a view to identifying and fostering the development of a suitable pool of candidates for nomination or appointment over time. The Corporation has set a target of 30% of management positions to be held by women by the year 2021. The GECC will, in its periodic review of the composition of the Board and executive officer appointments, assess the effectiveness of the Board nomination process and senior management appointment process at achieving the Corporation's diversity objectives and monitor the implementation of these guidelines.

In addition to the nominees proposed by the Board, shareholders may propose individuals to be nominated for election as Directors in accordance with applicable law. Shareholders may also at any time suggest nominees for



election to the Board by submitting the names and supporting information regarding such nominees to the Corporate Secretary.

## **ORIENTATION AND CONTINUING EDUCATION**

New Directors shall participate in a Director orientation program to familiarize such Directors with, among other things, the Corporation's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, the Corporation's Code Conduct, these Guidelines, and the Corporation's other policies and guidelines. Directors shall be introduced to senior management and the Corporation's outside advisors, as appropriate. Each Director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a Director.

## **BOARD ASSESSMENT**

The GECC is responsible for developing a process to assess the effectiveness of the Board, its Committees, each chairperson and the directors. The Chair of the Board, in collaboration with the Chair of the GECC, will provide an annual assessment of the overall performance and effectiveness of the Board and each Committee, the Chair, each Committee chair and each Director and reporting annually on such assessments to the Board. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

This assessment is discussed with the full Board following the end of each fiscal year and specifically reviews areas in which the Board and/or management believes that a better contribution could be made. Its purpose is to increase the effectiveness of the Board as a whole as well as the effectiveness of individual Board members.

A Director must also tender a written offer to resign if he has received a poor peer performance review for two consecutive years.

## **BOARD COMPENSATION**

The Board believes that the Directors should be compensated in a form and amount which is appropriate and which is customary for comparable companies, having regard for such matters as time commitment, responsibility and trends in Director compensation. The Board has determined that ownership of the Corporation's common shares or equity-based awards such as Deferred Share Units ("**DSUs**") by Directors is desirable and aligns the interests of Directors with those of the Corporation's shareholders. As such, a portion of the Directors' annual compensation is equity-based.

The GECC annually reviews both the amount and components of the compensation package for Directors and for the Chairs. Information on compensation for directors at comparable companies provided through surveys and proxy analysis is utilized to gauge competitive levels and components of the total Director compensation package. The GECC has the authority to retain consulting firms to assist in carrying out its responsibilities. Directors' total compensation is targeted to approximate the 50th percentile total compensation of the Corporation's comparator group.

## **MINIMUM EQUITY OWNERSHIP REQUIREMENT FOR DIRECTORS**

The Corporation has established a minimum equity ownership requirement (the "**Director Ownership Requirement**"), which requires each non-executive Director of the Corporation to acquire and hold a minimum



value of five (5) times the Director's annual cash-based portion of compensation in the form of common shares of the Corporation or equity based awards (such as DSUs), such level to be progressively achieved over a period of five (5) years from their appointment to the Board, or prior to December 31, 2020, whichever is later. As such, a non-executive Director will be expected to meet 20% of the Director Ownership Requirement in year 1, 40% in year 2, etc. (the "**Minimum Annual Requirement**").

The Director Ownership Requirement can be fulfilled through the ownership of equity-based awards paid as part of the annual Director compensation or by purchases of common shares of the Corporation on the open market. To the extent that the Minimum Annual Requirement of a Director has not been met, a Director will receive the equity-based portion of its annual compensation in equity-based awards. The Chair and the Lead Director will have a proportion of 45% cash-based compensation and 55% equity-based compensation, while the other non-executive Directors will have a proportion of 40% cash-based compensation and 60% equity-based compensation. To the extent that the Minimum Annual Requirement of a Director is met, a Director is entitled to elect to receive the equity-based portion of its annual compensation in cash.

Directors may not purchase financial instruments to hedge a decrease in the market value of shares held for the purpose of the Director Ownership Requirement.

## **D. BOARD AND COMMITTEE MEETINGS AND MATERIALS**

### **COMMITTEE OF THE BOARD**

The Board has determined that there should be two Board Committees: (i) the Audit Committee and (ii) the GECC. This structure may change as the Board considers from time to time which of its responsibilities can best be fulfilled through detailed review of matters in Committee. Each Committee shall operate according to a Board-approved written charter outlining its duties and responsibilities.

### **MEETINGS AND AGENDAS**

The Chair and the CEO, in consultation with the Corporate Secretary, shall develop the agenda for each Board and Committee meeting. The Chair shall solicit from the members of the Board recommendations as to matters to be brought before the Board and shall ensure that such matters receive a fair hearing.

The Board will meet at least five (5) times per year. A quorum for meetings is a majority of Directors. The Corporate Secretary sets the schedule of the Board and Board Committee meetings to be held in any given calendar year, a year or more in advance.

A Director may participate in a meeting of the Board or of a Committee by means of telephone or other communication facilities, and a Director participating in such a meeting by such means is deemed to be present at the meeting. If a regular meeting has been convened, telephone participation in the meeting by individual Directors is discouraged, except in special circumstances. Where a Director's absence from a meeting is unavoidable, the Director should, as soon as practicable after the meeting, contact the Chair or the Corporate Secretary for a briefing on the substantive elements of the meeting.

The Board has a policy of holding one meeting each year at one of the Corporation's foreign offices.



## **MEETING MATERIALS**

Meeting materials shall be provided to Directors before each Board and Committee meeting in sufficient time for review. It is recognized that under some circumstances, due to the confidential and urgent nature of matters to be discussed at a meeting, it would not be prudent, practical or appropriate to distribute written materials in advance.

## **NON-DIRECTORS AT BOARD AND COMMITTEE MEETINGS**

Non-Directors such as the Corporation's Chief Financial Officer, Chief Legal Officer and Corporate Secretary and other members of senior management with information and responsibilities that impact upon Board or Committee deliberations may be invited to regularly attend Board or Committee meetings. The CEO will bring, from time to time, members of senior management to Board meetings who (i) can provide additional insight into items being discussed, or (ii) are managers with future potential that the CEO believes should be given exposure to the Board.

## **IN CAMERA SESSIONS OF NON-EMPLOYEE DIRECTORS**

The Board has determined that Directors should have the opportunity to meet *in camera* (i.e. without any employee Directors present) in conjunction with every regularly scheduled meeting of the Board or Committees. The presiding officer at these *in camera* sessions is the Chair or, in his or her absence, a Director selected by majority vote of those present. Sessions are of no fixed duration and participating Directors are encouraged to raise and discuss any issues of concern.

## **MEMBERSHIP OF COMMITTEES**

The Board has determined that the Audit Committee and the GECC shall be composed entirely of independent Directors. In addition, all members of the Audit Committee shall be financially literate as required by National Instrument 52-110 - *Audit Committees*. After receipt of recommendations from the GECC, the Board shall appoint the members and the Chair of each Committee annually, and as necessary to fill vacancies.

## **OVERSIGHT OF COMMITTEE FUNCTIONS**

Except as may be explicitly provided in the charter of a Committee or a resolution of the Board, the purpose of Committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Committee, the Board is ultimately responsible for matters assigned to a Committee.



## E. MANAGEMENT RESPONSIBILITIES

### BOARD RELATIONSHIP WITH MANAGEMENT

The Board supports and encourages the members of management in the performance of their duties and individual outside Directors are encouraged to provide their counsel as needed. Management shall make appropriate use of the Board's skills before decisions are made on key issues. The GECC shall review and assess the quality of the relationship between management and the Board and may recommend changes as deemed necessary or desirable.

The Board shall have complete access to Corporation employees, including management, and as necessary and appropriate, to the Corporation's outside advisors. Access shall be coordinated through the CEO or the Corporate Secretary.

### SELECTION OF THE CEO

The GECC shall be responsible for identifying potential candidates for, and nominating the CEO for appointment by the Board. In identifying potential candidates for, and selecting, the CEO, the GECC shall consider, among other things, a candidate's integrity, experience, understanding of the Corporation's business environment, leadership qualities, knowledge, skills, expertise, and reputation in the business community.

### EVALUATION OF THE CEO

The GECC shall conduct an annual review of the performance of the CEO against goals and objectives which have been established by the GECC and shall review, assess and recommend the compensation of the CEO to the Board for approval. The results of the review shall be communicated to the CEO by the Chair of the Board.

### MANAGEMENT SHARE OWNERSHIP REQUIREMENTS

The Corporation has established a minimum equity ownership requirement applicable to the Corporation's CEO, CFO, COO, Chief Legal Officer and Executive Vice-President Mergers & Acquisitions ("**CLO**") and Chief Corporate Services Officer ("**CCSO**") and to members of the Global Leadership Team ("**GLT**") who are responsible for a principal business unit or division that generates at least 10% of the Corporation's consolidated net revenues (the "**Executive Ownership Requirement**"). Pursuant to the Executive Ownership Requirement the CEO is expected to hold four (4) times his base salary and the CFO, COO, and CLO are expected to hold two (2) times their base salary. All other members of the GLT to whom the Executive Ownership Requirement applies are expected to hold one (1) time their respective base salary. The Executive Ownership Requirement is to be progressively achieved over a period of five (5) years, starting January 1, 2017 or from the date of appointment to an executive position or upon their becoming subject to the Executive Ownership Requirement, whichever is later. As such, the Executive will be expected to meet 20% of their respective Executive Ownership Requirement in year 1, 40% in year 2, etc.

The minimum share ownership requirement can be fulfilled through the ownership of equity-based awards (including vested options), DSUs or by purchases of common shares of the Corporation on the open market. The above-mentioned Executives may not purchase financial instruments to hedge a decrease in the market value of the shares held for the purpose of the share ownership requirements.



## MANAGEMENT OF SUCCESSION PLANNING

The GECC advises the Board and Management in relation to its succession planning including the appointment and monitoring of senior Management. To limit the risk that the Corporation's operations suffer from a talent gap, succession planning is reviewed annually to facilitate talent renewal and smooth leadership transitions for key strategic roles and to identify areas of improvement. The Corporation has a succession plan for the President and CEO and other key members of senior Management, including potential talent to act as emergency replacement.

## F. ETHICS AND CONFLICTS OF INTEREST

The Board expects Directors as well as Officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Corporation's Code of Conduct and ancillary policies. The Board shall not permit any waiver of any ethics policy with respect to any Director or executive officers.

In addition to the statutory responsibilities of Directors to disclose all actual or potential conflicts of interest and generally to refrain from voting on matters in which the Director has a conflict of interest, the Director shall recuse himself or herself from any discussion or decision on any matter in which the Director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

## G. COMMUNICATION POLICY

The Corporation is committed to providing timely, accurate, and balanced disclosure of material information, consistent with legal and regulatory requirements. Materiality is determined by the importance of an event or information in influencing an investor's decision with respect to the purchase or sale of the Corporation's shares. The Corporation will disclose both positive and negative information on a timely basis, except when confidentiality issues require a delay in accordance with the rules of the Toronto Stock Exchange and applicable securities commissions.

The Corporation has established a Disclosure Committee to support the CEO and the CFO in identifying material information and determining how and when to disclose that information and to ensure that all material disclosures comply with relevant securities legislation.

The Disclosure Committee will meet prior to the release of the Corporation's regular quarterly and annual disclosure documents. The Committee will also meet as required to review and evaluate other disclosures and potential disclosures or upon request of the CEO or CFO.

## H. OUTSIDE ADVISORS

The Board and each of its Committees have the right at any time to retain independent outside legal, financial or other advisors. Occasionally individual Directors may need the services of an advisor or expert to assist on matters involving their responsibilities as Board members. Any Director who wishes to engage an advisor to assist on matters involving their responsibilities as a Director at the expense of the Corporation should review the request with, and obtain the authorization of the GECC.