

# W.P. STEWART & CO., LTD.

## Corporate Governance Guidelines

The Board of Directors (the “Board”) of W.P. Stewart & Co., Ltd., upon the recommendation of its Nominating and Corporate Governance Committee, has adopted these corporate governance principles to promote the effective functioning of the Board and its committees and to set forth a common set of expectations as to how the Board, its committees and individual directors should perform their functions.

### 1. Board Composition

The Board currently has nine members. The Board believes that, absent special circumstances, the Board should consist of no less than 7 and no more than 12 members in order to carry out its functions effectively. The Board believes that this range makes the Board large enough to allow for a diversity of perspectives and backgrounds without being so large as to impede effective discussions.

The members of the Board should collectively possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Company’s business. A majority of directors shall meet the criteria for independence as defined by the New York Stock Exchange. In keeping with the status of the Company as a foreign private issuer (as defined by the U.S. Securities Act of 1933 and the rules promulgated thereunder), at no time shall a majority of the members of the Board be U.S. citizens or residents.

### 2. Selection of Chairperson, Deputy Chairperson and Chief Executive Officer

The Board shall, after each annual general meeting of shareholders, appoint the Chairperson and one or more Deputy Chairpersons from among its members. The Board is free to select its Chairperson and the Company’s Chief Executive Officer in the manner it considers in the best interests of the Company at any given point in time. These positions may be filled by one individual or by two different individuals.

### 3. Selection of Directors

*Nominations.* The Company’s Nominating and Corporate Governance Committee is responsible for identifying and recommending to the Board the slate of director nominees for election to the Board and for appointment to fill vacancies occurring between annual general meetings of shareholders.

Criteria. The Nominating and Corporate Governance Committee shall identify new nominees for the position of director of the Company based primarily on the following criteria:

- Personal qualities and characteristics, accomplishments and reputation in the business community, particularly the communities in which the Company does business and in the Company's industry, which would be useful in the oversight of the Company's business;
- Ability and willingness to commit adequate time to Board and committee matters;
- The extent to which the interplay of the individual's expertise, skills, knowledge and experience with that of other Board members and potential directors will build a Board that is effective, collegial and responsive to the needs of the Company;
- The possession of any special qualifications or skills that are necessary or desirable for a member of a Board committee upon which the individual will sit;
- Absence of a conflict of interest and/or independence (in accordance with the requirements of the New York Stock Exchange) from the Company; and
- Diversity of viewpoints, background, experience and other demographics.

The Board, taking into consideration the recommendations of the Nominating and Corporate Governance Committee, shall be responsible for selecting the nominees for election to the Board by shareholders and for appointment by the Board to fill vacancies, with primary emphasis on the above criteria.

In addition, the Nominating and Corporate Governance Committee shall be responsible for initially assessing whether a candidate would be deemed independent in accordance with the rules of the New York Stock Exchange. The Board, taking into consideration the assessment of the Nominating and Corporate Governance Committee, shall also make a determination as to whether a nominee or appointee would be deemed independent.

Invitation. The invitation to join the Board shall be extended by the Board via the Chairperson of the Board and a member of the Nominating and Corporate Governance Committee.

#### 4. Continuation as a Director

Term of Office. The Board does not believe it should limit the numbers of years which an individual may serve on the Board, but rather decide, after an individual assessment, whether a Board member shall be proposed for re-election.

Retirement. The Board does not believe it should establish a mandatory retirement age.

Resignation. Directors who retire from their present employment, or who materially change their position, should tender a proposed resignation to the Board. The Board would then

evaluate whether to accept such proposed resignation or request that the director continue to serve.

#### 5. Board Meetings

The Board shall meet at least four times per year, with additional meetings to occur (or action to be taken by unanimous written consent) according to business needs. The Chairperson and Deputy Chairpersons of the Board shall establish the agenda for each Board meeting. Management will seek to provide the agenda and appropriate material relevant for the Board's consideration of the items on the agenda in advance of the meeting, unless severe confidentiality reasons or time constraints make it impractical or inadvisable to do so. Any director may request that a specific topic be placed on the agenda.

#### 6. Executive Sessions

To ensure free and open discussion and communication among the non-management directors of the Board, the non-management directors will meet in executive sessions at regularly scheduled intervals, with no members of management present. The non-management directors shall designate the director who will preside at the executive sessions. Non-management directors who are not independent under the rules of the New York Stock Exchange may participate in these sessions, but independent directors should endeavor to meet in executive session at least once per year.

#### 7. Committees of the Board

The Company shall have at least the committees required by the rules of the New York Stock Exchange. Currently, these are an audit committee, a compensation committee and a nominating/corporate governance committee. Each of these three committees must have a written charter satisfying the rules of the New York Stock Exchange. The Audit Committee must also satisfy the requirements of Rule 10A-3 under the Securities Exchange Act of 1934.

In addition, each of these three committees shall be composed of at least two, in the case of the Nominating and Corporate Governance Committee, or three, in the case of the Compensation Committee and Audit Committee, directors who the Board has determined meet the independence requirement of the New York Stock Exchange and, in the case of the Audit Committee, who satisfy the additional eligibility requirements of Rule 10A-3. The required qualifications for the members of each committee shall be set out in the respective committee's charters. A director may serve on more than one committee for which he or she qualifies.

Each committee shall have the number of meetings provided for in its charter, with further meetings to occur (or action to be taken by unanimous written consent) when deemed necessary or desirable by the committee or its chairperson. The agenda for each committee meeting shall be established by the committee's chairperson in consultation with appropriate members of such committee and with management. The agenda and appropriate material relevant for the consideration of the items on the agenda shall be sent in advance of the meeting to each committee member, unless severe confidentiality reasons or time constraints make it impractical or inadvisable to do so.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chairperson 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 shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee.

#### 8. Duties and Responsibilities

The business and affairs of the Company shall be managed under the direction of the Board. The Board has ultimate responsibility for the strategy and the management of the Company. In performing their duties, the primary responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders.

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. Except as otherwise provided in a charter of a committee, the Board shall have the authority to retain and approve the fees and retention terms of its outside advisors. Certain specific corporate governance functions of the Board are set forth below:

*Succession Planning.* At least annually, the Board shall review and concur in a succession plan developed by management to ensure a continuity in senior management. Such plan should address the policies and principles for selecting successors to members of senior management, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors.

*Executive Compensation.* The Board, acting through the Compensation Committee, evaluates the performance of senior management against the Company's goals and objectives, and determines the compensation levels of senior management.

*Director Compensation.* The Board should conduct a review at least once every three years of the components and amount of director compensation in relation to other similarly situated companies. Director compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity. Only non-management directors shall receive compensation for services as a director.

#### 9. Expectations for Directors

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the efficient conduct of the Board's business.

*Commitment and Attendance.* All directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone or video conference to facilitate attendance.

*Participation in Meetings.* 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 each committee on which he or she serves. 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.

*Loyalty and Ethics.* Directors owe a duty of loyalty to the Company. The duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a director. Directors shall avoid any conflicts of interests or the appearance of such conflicts, and shall abstain from any participation in decisions taken by the Board where they have a personal interest.

The Company has adopted a Code of Business Conduct and Ethics. Certain portions of the Code deal with activities of directors, particularly 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 counsel in the event of any issues.

*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, including independence issues. Directors should advise the chairperson of the Nominating and Corporate Governance Committee and the Chief Executive Officer before accepting (1) membership on boards of directors of other companies whose equity securities are publicly held or where such membership would require a significant commitment or (2) other significant commitments involving affiliation with other businesses, institutions, governmental units or regulatory entities.

*Contact with Management and Others.* All directors may contact the Chief Executive Officer at any time to discuss any aspect of the Company's business. Directors shall also have access to other members of the Company's senior management and, upon request, other Company personnel. The Board expects that there will be frequent opportunities for directors to meet with members of senior management in Board and committee meetings and in other formal or informal settings. Further, the Board encourages management to, from time to time, bring individuals, both internal and external, into Board meetings who can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas.

*Speaking on Behalf of the Company.* It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson.

Confidentiality. 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.

10. Director Orientation and Continuing Education

New directors shall receive an introduction to their function within the Board, according to their individual needs. The introduction should, at least, address the Company's strategic orientation, its business plans, and the legal and regulatory framework for the Company's activities. Meetings with members of senior management shall be organized as appropriate.

In addition, management shall prepare educational sessions for all directors from time to time on matters relevant to the Company and its business to the extent deemed appropriate.

11. Performance Evaluation

The Board, supported by the Nominating and Corporate Governance Committee, shall conduct an annual self-evaluation to determine whether it is and its committees are functioning effectively. Each committee of the Board shall also conduct a self-evaluation and report the results to the Board, comparing the performance of the committee with the requirements of its written charter.

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