



IFC Indicative Independent Director Definition

“Independent Director” means a Director who has no direct or indirect material relationship with the Company other than membership on the Board and who:¹

(a) is not, and has not been in the past five (5) years, employed by the Company or its Affiliates;

(b) does not have, and has not had in the past five (5) years, a business relationship with the Company or its Affiliates (either directly or as a partner, shareholder (other than to the extent to which shares are held by such Director pursuant to a requirement of Applicable Law in the Country relating to directors generally), and is not a director, officer or senior employee of a Person that has or had such a relationship);

(c) is not affiliated with any non-profit organization that receives significant funding from the Company or its Affiliates;

(d) does not receive and has not received in the past five (5) years, any additional remuneration from the Company or its Affiliates other than his or her director’s fee and such director’s fee does not constitute a significant portion of his or her annual income;

(e) does not participate in any share option [scheme]/[plan] or pension [scheme]/[plan] of the Company or any of its Affiliates;

(f) is not employed as an executive officer of another company where any of the Company’s executives serve on that company’s board of directors;

(g) is not, nor has been at any time during the past five (5) years, affiliated with or employed by a present or former auditor of the Company or any of its Affiliates;

(h) does not hold a material interest in the Company or its Affiliates (either directly or as a partner, shareholder, director, officer or senior employee of a Person that holds such an interest);

(i) is not a member of the immediate family (and is not the executor, administrator or personal representative of any such Person who is deceased or legally incompetent) of any individual who would not meet any of the tests set out in (a) to (h) (were he or she a director of the Company);

(j) is identified in the annual report of the Company distributed to the shareholders of the Company as an independent director; and

(k) has not served on the Board for more than [ten (10)] years.²

For purposes of this definition, “material interest” shall mean a direct or indirect ownership of voting shares representing at least [two percent (2%)]³ of the outstanding voting power or equity of the Company or any of its Affiliates.

¹ Some jurisdictions have legal definitions for independent directors which may or may not be as stringent as the IFC’s definition. If such a definition exists, consult with the IFC Corporate Governance Unit as to whether such definition would be appropriate. If, for a particular reason, the Investment Department intends that the IFC Nominee Director be deemed to be an Independent Director, consult with the IFC Corporate Governance Unit.

² Depending on the availability of qualified independent directors in a particular country, the term could be shortened to seven (7) years. Consult with the Corporate Governance Unit if this is an issue.

³ Consult with local counsel as to the relevant percentage, if any, specified by local law (which may apply to publicly listed or unlisted companies, or both). For example, in the United Kingdom, a shareholder is treated as having a material (disclosable) interest in a publicly listed company if it holds 3% of the shares; in the United States, the equivalent threshold is 5%.