

## **CORPORATE GOVERNANCE GUIDELINES OF QUOTIENT LIMITED**

### **1. Selection and Composition of Board of Directors**

#### ***1.1 Size of the Board of Directors***

Our Articles of Association provide that the Board of Directors consists of not less than 2 directors with the exact number determined from time to time by resolution of the directors. We believe the Board of Directors should neither be too small to maintain the needed expertise and independence nor too large to be efficiently functional. Our general expectation is that the Board of Directors will consist of approximately 7 directors, although we periodically review the appropriate size and mix of the Board of Directors in light of our stated objectives below.

#### ***1.2 Selection of New Directors***

The Board of Directors is responsible for selecting its own members for election by the shareholders. The Board of Directors, however, delegates the process for identifying and reviewing candidates for director positions to the Nominating and Corporate Governance Committee with direct input from the Chief Executive Officer.

#### ***1.3 Board of Directors Membership Criteria***

The Nominating and Corporate Governance Committee is responsible for reviewing with the entire Board of Directors from time to time the appropriate skills and characteristics required of Board of Directors members in the context of the current composition of the Board of Directors. It is our policy that directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareholders. It is also our policy that the composition of the Board of Directors at all times adhere to the standards of independence promulgated by The NASDAQ Stock Market and reflect a range of talents, ages, skills, character, diversity and expertise, particularly in the areas of accounting and finance, management, domestic and international markets, leadership, corporate governance, and the diagnostics and related industries, sufficient to provide sound and prudent guidance with respect to the operations and interests of Quotient Limited.

We also require that our Board of Directors members be able to dedicate the time and resources sufficient to ensure the diligent performance of his or her duties on our behalf, including attending all Board of Directors and applicable committee meetings. In this respect, absent unusual circumstances, we believe that directors with full-time jobs should not serve on more than three other public company boards of directors.

#### **1.4 Board Leadership**

We believe that the Chief Executive Officer of the Company may also serve as the Chairman of the Board of the Company. If the Chairman of the Board is the Chief Executive Officer, the independent directors shall also elect a Lead Independent Director. The Chairman of the Board shall preside at all meetings of the shareholders and of the Board as a whole, and shall perform such other duties and exercise such powers, as may be prescribed in the Company's By-Laws or by the Board; provided that the Lead Independent Director, if any, shall preside over executive sessions of the Company's independent directors. In addition, the Lead Independent Director, if any, shall facilitate information flow and communication among the Directors and perform such other duties as may be specified by the Board. The Board shall consider rotation of the Lead Independent Director, if any, at such intervals as the Board determines on the recommendation of the Nominating and Corporate Governance Committee, although the Board does not believe that rotation should be mandated as a policy.

#### **1.5 Director Independence**

The Board of Directors believes that as a matter of policy, and in accordance with listing rules, a majority of the members of the Board of Directors should be independent as defined by The NASDAQ Stock Market. In addition, the members of the Audit Committee and Compensation Committee may not receive, directly or indirectly, any fees from the Company or any Company subsidiary other than the fees described below under "Board of Directors Compensation Policy." The members of the Audit Committee may not be "affiliated persons" (as defined in Rule 10A-3 under the Securities Exchange Act of 1934) of the Company; if member or proposed member of the Compensation Committee is affiliated with the Company, the Board of Directors must consider whether such affiliation would impair the director's judgment as a member of the Compensation Committee. At least annually, the Board of Directors will evaluate significant relationships between the Company and each director, and significant relationships between a member of senior management and a director, in light of relevant facts and circumstances for the purposes of determining whether a material relationship exists that might signal a potential conflict of interest. Directors are also subject to the Company's Related Party Transactions Policy.

#### **1.6 Non-Independent Directors**

The Board of Directors is willing to have members of senior management, in addition to our Chief Executive Officer, and other individuals who may not meet the above definition of independence, as directors. In addition, the Board of Directors believes that it may be beneficial to the discharge of their duties as directors for managers that do not serve on the Board of Directors to nonetheless attend Board meetings on a regular basis. It is understood, however, that all matters of corporate governance will be decided by the independent directors in consultation with the Chairman of the Board of Directors.

**1.7 Directors Who Change Their Present Job Responsibility**

Directors who retire or otherwise change from the principal occupation or background association they held when they were originally invited to join the Board of Directors will volunteer to resign from the Board of Directors. The Board of Directors does not believe that directors who retire or otherwise change from the principal occupation or background association they held when they were originally invited to join our board of directors should necessarily leave the Board of Directors. There should, however, be an opportunity for the Board of Directors, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of that director's membership under the circumstances.

The Board of Directors also believes that each outside director should advise the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve as a member on another board of directors of a public company.

It is assumed that when the Chief Executive Officer resigns from that position that he or she should also offer his or her resignation from the Board of Directors. Whether that individual continues to serve on the Board of Directors is a matter for discussion at that time between the Board of Directors, through the Nominating and Corporate Governance Committee, and the new Chief Executive Officer.

**1.8 Director Term Limits**

Except as provided below, the Board of Directors will not nominate any non-employee director for re-election to the Board of Directors if that director has completed 12 years of service as a non-employee director on or prior to the date of election to which such nomination relates. The purpose of this policy is to encourage Board refreshment and vitality, and to provide additional opportunities for a balanced mix of perspectives and experiences. Notwithstanding the foregoing, a majority of the Board of Directors (excluding the affected director(s)) may approve exceptions to this policy when it believes it is in the Company's best interest to do so (for example, if imposing such a term limit would disadvantage the Company by causing it to lose the contribution of director(s) who over time have developed critical insight into Quotient Limited and its business and operations). Furthermore, the term limits contemplated by this policy shall not be applicable until October 31, 2026 in the case of any non-employee director who was serving on the Board of Directors as of November 1, 2014.

**2. Board of Directors Compensation**

The Remuneration Committee shall have the responsibility for recommending to the entire Board of Directors the compensation and benefits for non-employee directors. It is appropriate for the Remuneration Committee to report from time to time to the entire Board of Directors on the status of director compensation in relation to the Company's peers. An executive officer of the Company serving as a member of the Board of Directors should generally not receive additional compensation for his or her service as a director. The proposed changes in director

compensation, if any, should come at the suggestion of the Remuneration Committee, but with full discussion and concurrence by the entire Board of Directors.

### **3. Interaction with Institutional Investors, Press, Customers, Etc.**

The Board of Directors believes that management speaks for Quotient Limited. Our individual non-management Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that these members would do this with the knowledge of management and, in most instances, at the request of management.

### **4. Meetings of the Board of Directors**

#### ***4.1 Scheduling and Selection of Agenda Items for Board of Directors Meetings***

The Chairman of the Board of Directors, in consultation with other members of the Board of Directors, will determine the frequency and length of Board meetings. It is the sense of the board of directors that regular meetings at appropriate intervals are in general desirable for the performance of their responsibilities. In addition to regularly scheduled meetings, additional unscheduled meetings may be called upon appropriate notice at any time to address any special needs.

The Chairman of the Board of Directors, in consultation with the Lead Independent Director, if any, will establish the agenda for each Board meeting and distribute it in advance to board members. Each director is free to suggest the inclusion of items on an agenda, to raise at any Board meeting subjects that are not on the agenda for that meeting or to request the presence of or a report by any member of management. If the Chief Executive Officer is also Chairman of the Board of Directors, the directors may contact the Lead Independent Director to discuss issues or add agenda items that are not appropriately or best forwarded to the Chief Executive Officer. During at least one Board meeting each year, the Board of Directors will be presented the long-term strategic plan for the Company and the principal issues that it expects to face in the future.

#### ***4.2 Board of Directors Material and Presentations***

Information and data that is important to the understanding of the business and matters to be considered at the board meeting should be distributed in writing and in advance to Board members. As a general rule, materials on specific subjects should be sent to the board members sufficiently in advance so directors will be prepared to discuss questions that they may have about the material.

The Board of Directors encourages management to schedule managers to present at Board meetings who (i) can provide additional insight into the specific matters being discussed because of personal involvement in these areas or (ii) have future potential that management believes should be given exposure to the board of directors.

### **4.3 Participation in Board Meetings**

We expect our Board members to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with their service as a director.

### **4.4 Access to Management, Employees and Advisors**

Each director is encouraged to keep himself informed of the affairs of Quotient Limited between Board meetings through direct contact with employees, members of senior management and outside advisors and each director will have complete access to any such employee, member of senior management and outside advisor. It is expected that any such contact will be coordinated through the Chairman of the Board of Directors and/or the Chief Executive Officer and that each director will use judgment to assure that such access is not distracting to the business operations of the Company.

### **4.5 Meetings of the Independent Directors**

It is the policy of the Board of Directors, in accordance with listing rules, to have a separate meeting session for the independent directors regularly scheduled at least four times a year, and perhaps more frequently, in conjunction with regularly scheduled Board meetings, to review matters concerning the relationship of the Board of Directors with the management directors and other members of senior management and such other matters as it deems appropriate. The Lead Independent Director, if any, shall preside at these meetings. In the absence of the Lead Independent Director, the responsibility to preside at these meetings shall rotate among the Committee chairpersons. The independent directors shall not take any formal actions at these meetings, although they may subsequently recommend matters for full consideration by the board of directors.

In order to allow interested parties the opportunity to make their concerns known to these independent directors, the Board of Directors has established a procedure for these parties to communicate directly with the independent directors.

## **5. Committees of the Board of Directors**

### **5.1 Number of Committees**

Our Board of Directors will establish committees from time to time to facilitate and assist in the execution of its responsibilities. These committees shall generally address issues that, because of their complexity and technical nature, level of detail and time requirements or because of proper corporate governance principles cannot be adequately addressed at larger Board meetings.

We currently have three committees, which include the Remuneration Committee, Audit Committee, and the Nominating and Corporate Governance Committee. There will, from time to time, be occasions on which the Board of Directors may want to form a new committee or disband a current committee depending upon the circumstances. It is the Company's policy to comply with all requirements of NASDAQ listing rules relating to the constitution of key committees, including requirements relating to the independence of committee members.

Each committee will have a written charter of responsibilities and authorities that will be annually reviewed by the Board of Directors, and the charters for all of our Committees will be publicly available on our website for review by our shareholders.

### ***5.2 Assignment and Term of Service of Committee Members***

The Board of Directors is responsible for the appointment of committee members and committee chairpersons, taking into account the desires of individual members and the suggestions of the Nominating and Corporate Governance Committee. It is expected that each committee chairman will have had previous service on the applicable committee. In making such appointments, the Board of Directors will consider the rotation of committee membership and chairmanship at appropriate intervals, although the Board does not believe that rotation should be mandated as a policy.

### ***5.3 Frequency and Length of Committee Meetings and Committee Agenda***

The committee chairpersons, in consultation with the other committee members, will determine the frequency and length of committee meetings and, in consultation with the Chairman of the Board of Directors and the Lead Independent Director, if any, develop the agenda for committee meetings. The agendas and meeting minutes of the committees will be shared with the full Board of Directors. The Chairman of the Board will be invited to attend all committee meetings.

## **6. Leadership Development**

### ***6.1 Succession Planning and Management Development***

The Board of Directors has the sole responsibility for the evaluation, hiring or termination of the Chief Executive Officer, as well as the development of policies and principles for selection of a new Chief Executive Officer, including succession in the event of an emergency. The Chief Executive Officer reviews succession planning and management development with the Board of Directors and the Nominating and Corporate Governance Committee on an annual basis. This succession planning includes the development of policies and principles for selection of the Chief Executive Officer, including succession in the event of an emergency.

**7. Self-Evaluation**

The board and each of the committees will perform an annual self-evaluation. The self-evaluation shall be conducted in a manner determined to be appropriate by the Nominating and Corporate Governance Committee.

**8. Ownership Requirements****8.1 Stock Ownership Policy**

Each non-employee Director is required to hold shares of the Company's common stock having a value of at least three times the Director's annual cash retainer while serving as a Director of the Company. For purposes of satisfying these requirements, (a) a Director's holdings of the Company's common stock shall include, in addition to shares held outright, units granted to the Director as compensation for Board service and shares or units held under a deferral or similar plan and (b) each such unit shall have the same value as a share of the Company's common stock. A Director will have five years from the date of (a) his or her first election as a Director or (b) if later, an increase in the amount of the Company's common stock required to be held, to satisfy this ownership requirement.