

**WATSON WYATT & COMPANY HOLDINGS**

**CHARTER OF THE NOMINATING AND  
GOVERNANCE COMMITTEE**

**Statement of Purpose**

The Nominating and Governance Committee (the “Committee”) shall provide assistance to the Board of Directors of Watson Wyatt & Company Holdings (the “Company”) in fulfilling its responsibilities by:

1. Identifying individuals qualified to become directors and approving the nomination of candidates for all directorships to be filled by the Board of Directors or by the stockholders of the Company;
2. Identifying directors qualified to serve on the committees established by the Board of Directors and recommending to the Board of Directors members for each committee to be filled by the Board of Directors;
3. Developing and recommending to the Board of Directors a set of corporate governance principles applicable to the Company, including matters of (i) board organization, membership and function, (ii) committee structure and membership and (iii) delegates to the Compensation Committee succession planning for the President and Chief Executive Officer of the Company; and
4. Otherwise taking a leadership role in shaping the corporate governance of the Company.

**Committee Membership and Qualifications**

The Committee shall consist of at least three members of the Board of Directors, each of whom is determined by the Board of Directors to be “independent” in accordance with the rules of New York Stock Exchange (“NYSE”).

**Appointment and Removal of Committee Members**

The members of the Committee shall be appointed by the Board of Directors annually or as necessary to fill vacancies. Each member shall serve until his or her successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

## **Chairperson**

The Chairperson of the Committee shall be appointed by the Board of Directors upon recommendation of the Committee in consultation with the Chairman of the Board of Directors. The Chairperson will chair all regular sessions of the Committee and, in consultation with the Chairman of the Board of Directors, set the agendas for Committee meetings.

## **Meetings**

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. Any member of the Committee may call meetings of the Committee.

The Committee shall meet regularly in executive session, without Company management present. The Committee may invite to its meetings any officer, employee or director of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

## **Responsibilities and Duties**

In furtherance of its purpose, the Committee shall have the following responsibilities and duties:

### *Selection of Director Candidates to Serve on the Board of Directors*

1. The Committee shall establish criteria for selection of potential directors, taking into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge.
2. The Committee shall review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board of Directors to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds. The Committee shall identify individuals believed to be qualified as candidates to serve on the Board of Directors and approve the nomination of candidates for all directorships to be filled by the Board of Directors or by the stockholders at an annual or special meeting. In identifying candidates for membership on the Board of Directors, the Committee shall take into account the criteria for selection established by the Committee and the extent to which the candidate would fill a present need on the Board of Directors. In fulfilling its responsibilities as outlined above, the Committee shall consult from time to time, as appropriate, with the Chairman of the Board of Directors.
3. The Committee shall recommend to the Board of Directors standards for determining director independence consistent with the requirements of the Securities and Exchange Commission, NYSE and other applicable guidelines on best practices and shall periodically review such independence standards and recommend such changes in those standards as the Committee determines to be appropriate. The Committee shall review the qualifications and independence of

existing Board members on an annual basis and make recommendations to the full Board of Directors whether they should stand for re-election. The Committee shall recommend to the Board of Directors the removal of a director where appropriate.

4. The Committee shall consider and make recommendations to the Board of Directors on matters relating to the retirement of Board members, including term limits or mandatory retirement age.
5. The Committee shall conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. In that capacity, the Committee shall have sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Company, including sole authority to approve the fees payable to such search firm and any other terms of retention.
6. The Committee shall periodically review the orientation process for all new directors.
7. At least annually, and as circumstances otherwise dictate, the Committee shall oversee evaluations of the Board of Directors and senior management.

#### *Committee Selection and Composition*

8. The Committee shall recommend members of the Board of Directors to serve on the committees of the Board of Directors, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and, where appropriate, make recommendations regarding the removal of any member of any committee. In fulfilling this responsibility, the Committee shall, as appropriate, consult with the Chairman of the Board of Directors.
9. The Committee shall recommend members of the Board of Directors to serve as the Chairperson of the committees of the Board of Directors. In fulfilling this responsibility, the Committee shall, as appropriate, consult with the Chairman of the Board of Directors.
10. The Committee shall establish, monitor and recommend the purpose, structure and operations of the various committees of the Board of Directors, the qualifications and criteria for membership on each Board committee and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees and impose any term limitations of service on any Board committee.
11. The Committee shall periodically review the charter and composition of each Board committee and make recommendations to the Board of Directors for the creation of additional committees or the elimination of Board committees.

### *Corporate Governance*

12. The Committee shall consider the adequacy of the certificate of incorporation and by-laws of the Company and recommend to the Board of Directors, as conditions dictate, that it propose amendments to the certificate of incorporation and by-laws for consideration by the Board and/or the stockholders, as appropriate.
13. The Committee shall develop and recommend to the Board of Directors a set of corporate governance principles appropriate for the Company and consistent with the rules and regulations of NYSE, the Securities and Exchange Commission and best practices and shall keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board of Directors in light of such developments as may be appropriate.
14. The Committee shall periodically review the Company's corporate governance principles and make recommendations for changes as in its judgment are appropriate.

### *Continuity/Succession Planning Process*

15. The Committee shall delegate to the compensation committee the responsibility to oversee and approve the Chief Executive Officer continuity planning process in consultation with the Chairman of the Board of Directors.

### *Review and Reporting*

16. The Committee shall develop and recommend to the Board of Directors for its approval an annual self-assessment process of the full Board of Directors and its committees. The Committee shall oversee, and communicate to the Board of Directors the results of, the annual self-assessment of the Board. The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.
17. The Committee shall report regularly to the Board of Directors (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Committee's Chairperson or any other member of the Committee designated by the Committee to make such report.
18. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

## **Studies and Investigations**

The Committee shall have the power and authority to conduct or authorize studies and investigations into any matter of interest or concern within the scope of its responsibilities that the Committee deems appropriate, and shall have the authority to retain search firms to identify candidates to serve as directors, independent counsel, consultants or other experts to assist in the conduct of any such study or investigation, including the authority to approve fees payable to such experts and any other terms of retention.