

LivaNova

Health innovation that matters

Corporate Governance Guidelines



Corporate Governance Guidelines of LivaNova PLC

The Nominating and Corporate Governance Committee of the Board of Directors (the “Board”) of LivaNova PLC has developed, and the Board has approved these Corporate Governance Guidelines (“Guidelines”) to assist the Board in the exercise of its responsibilities. These Guidelines should be interpreted in the context of applicable laws and the Company’s Articles of Association and other corporate governance documents, including, but not limited to the charters of the committees of the Board. These Guidelines are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Board will review these Guidelines annually.

1. Director Qualification Standards

The Board of the Company will have a majority of directors who meet the criteria for independence required by the rules of the Nasdaq Stock Market LLC (“Nasdaq”). The Nominating & Corporate Governance Committee of the Board is responsible for establishing criteria for selecting new directors and actively seeking individuals to recommend to the Board as director nominees. This assessment will include candidates’ qualifications as independent, as well as consideration of the entirety of each candidate’s credentials, which may include, but need not be limited to, a high ethical behavior, accomplishments within their respective field, relevant business or financial expertise or experience, and ability to exercise sound business judgment. Board candidates should also bring diversified attributes to the Board including in respect of gender, race, ethnicity, geography, professional experience, national origin, sexual orientation, life experience, skills and tenure, among others.

No director shall serve on the boards of more than three other public companies. No director shall serve as chair of more than two other public company boards unless the Board specifically determines that such service would not impair the director’s ability to serve effectively. In addition, no director shall serve on the Audit & Compliance Committees of more than two other public company boards if such director also serves on the Company’s Audit & Compliance Committee, unless the Board specifically determines that such service would not impair the director’s ability to serve effectively on the Company’s Audit & Compliance Committee. The Company’s Chief Executive Officer should not serve on more than one other public company board.

The Board does not believe it should establish term or age limits. While term limits could help ensure that fresh ideas and viewpoints are available to the Board, they hold the disadvantage of losing the contributions of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations. As an alternative to term limits, the Nominating & Corporate Governance Committee reviews each director’s continuation on the Board every year.

2. Role and Primary Responsibilities of the Board

The Board oversees management as it operates the business and ensures the interests of shareholders are served. The Board provides leadership and guidance over the Company’s regular and nonrecurring business transactions, including enterprise risk management, and is also responsible for assessing the effectiveness of the Company’s organizational structure and systems and for evaluating its overall performance.

The Board is subject to US securities laws and Nasdaq listing standards as well as duties as prescribed by the UK Companies Act 2006. In particular, each director must act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole, having regard (amongst other matters) to the interests of the Company’s key stakeholders and the other matters listed in section 172 of the UK Companies Act 2006.

3. Director Access to Management and Independent Advisors

The Board and each committee have the power to hire independent legal, financial, or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. In addition, directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Company Secretary or directly by the director.

4. Director Compensation

Pursuant to UK law, shareholders are required to approve, at least every three years, a directors' remuneration policy governing the compensation of all directors, whether executive or non-executive. Once the policy is approved by shareholders, the Company is only able to make payments within the limits permitted by that policy. The charter of the Compensation and Human Capital Management Committee of the Board empowers that committee to recommend to the Board a remuneration policy for the Board's approval, which is submitted to shareholders for their consideration.

5. Director Orientation and Continuing Education

The Board will take such measures as it deems appropriate to ensure that its members may act on a fully informed basis. Each new Board member shall be provided with information regarding, and the opportunity to, fully review the Company's business, personnel and operations in conjunction with accepting a seat on the Board. In addition, the officers of the Company, as well as the Board, shall take steps to ensure that Board members remain fully informed as to the operations of the Company, as well as their duties and responsibilities as members of the Board. The Board has regular presentations on continuing education matters and directors are encouraged to attend continuing education seminars provided by third party providers.

6. Board Chair and Committee Chairs

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board will appoint a Chair of the Board and a chair for each committee. In the case of a committee chair, if the appointed chair is unable to serve and the Board has not appointed a new chair, then the membership of such committee will appoint a chair on a temporary basis.

The Board considers rotation of the Board Chair and committee chairs periodically and when it determines appropriate. As part of its evaluation, the Board will review all relevant circumstances, including expertise required for the role, qualifications of a successor, and applicable laws and listing standards, to balance the benefits of rotation against the benefits of continuity.

7. Lead Director

Whenever the Chair of the Board is also the Chief Executive Officer or is a director who does not otherwise qualify as an "independent director", the independent directors will elect from among themselves a Lead Director of the Board. The Lead Director will be elected by a plurality and will serve until the Board meeting immediately following the next annual meeting of shareholders, unless otherwise determined by the Board. A description of the position of Lead Director is set forth in [Annex A](#) to these Corporate Governance Guidelines.

8. Executive Officer Succession

The Nominating & Corporate Governance Committee annually reviews with the Board, a succession plan in respect of the Chief Executive Officer. The Compensation & Human Capital Management Committee annually reviews with the Board, a succession plan and talent development of the Company's non-CEO executive officers.

9. Performance Evaluation of the CEO

The Compensation and Human Capital Management Committee annually determines and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer, annually evaluates the performance of the Chief Executive Officer in light of those goals and objectives, in coordination with the Chair of the Board or the Lead Director (if the Chair of the Board is an executive director), and sets the compensation of the Chief Executive Officer based on this evaluation.

10. Annual Performance Evaluation of the Board

Each of the Board and each of its committees conducts an annual self-evaluation to determine whether they are functioning effectively. The Nominating & Corporate Governance Committee coordinates the annual self-evaluation of the Board and its committees. The Nominating & Corporate Governance Committee receives comments from all directors and reports annually to the Board with an assessment of the Board's performance.

Annex A

Description of Lead Director Responsibilities

When the Chair of the Board is also the Chief Executive Officer or is a director who does not otherwise qualify as an “independent director,” a “Lead Director” shall be elected by plurality vote of the independent directors.

The Lead Director shall help coordinate the efforts of the independent and non-executive directors in the interest of ensuring that objective judgment is brought to bear on sensitive issues involving the management of the Company and, in particular, the performance of senior management, and shall have the following authority:

- Preside over all meetings of the Board at which the Chair is not present, including meetings of the non-executive directors which are to be held at least quarterly;
- Assist in scheduling Board meetings and approve meeting schedules to ensure that there is sufficient time for discussion of all agenda items;
- Request the inclusion of certain materials for Board meetings;
- Communicate to the Chief Executive Officer, together with the Chair of the Compensation and Human Capital Management Committee, the results of the Board’s evaluation of CEO performance;
- Collaborate with the Chief Executive Officer on Board meeting agendas;
- Collaborate with the Chief Executive Officer in determining the need for special meetings of the Board;
- Provide leadership and serve as temporary Chair of the Board or Chief Executive Officer in the event of the inability of the Chair of the Board or Chief Executive Officer to fulfill his/her role due to crisis or other event or circumstance which would make leadership by existing management inappropriate or ineffective, in which case the Lead Director shall have the authority to convene meetings of the full Board or management;
- Serve as the liaison for shareholders who request direct communications with the Board;
- Act as the liaison between the non-executive directors and the Chair of the Board, as appropriate;
- Call meetings of the non-executive directors when necessary and appropriate;
- Recommend to the Board, in concert with the chairs of the respective Board committees, the retention of consultants and advisors who directly report to the Board, including such independent legal, financial or other advisors as he or she deems appropriate, without consulting or obtaining the advance authorization of any officer of the Company; and
- Perform such other functions as the Board directs.

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