



## *Foster Wheeler AG*

### *Governance and Nominating Committee Charter*

#### PURPOSE

The purpose of the Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") of Foster Wheeler AG (the "Company") shall be to assist the Board in discharging the Board's responsibilities regarding:

- (a) the identification of qualified candidates to become Board members;
- (b) the selection of nominees for election as directors at the next annual general meeting of shareholders (or extraordinary general meeting of shareholders at which directors are to be elected);
- (c) the selection of nominees to fill any vacancies on the Board for election as directors at the next annual general meeting of shareholders (or extraordinary general meeting of shareholders at which directors are to be elected);
- (d) oversight of the annual performance review of the Board, the Committees of the Board and individual Board members, and
- (e) consideration of matters of corporate governance.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Articles of Association and organizational regulations of the Company. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it. Nothing herein is intended to expand applicable standards of liability under Swiss law or any other law for directors of a corporation.

## **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Committee shall have the following authority and responsibilities:

### A. Board of Directors

1. Recommend to the Board the appropriate size of the Board.
2.
  - (a) At an appropriate time prior to each annual general meeting of shareholders at which directors are to be elected or re-elected, the Committee shall recommend to the Board for nomination by the Board such candidates as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.
  - (b) At an appropriate time after a vacancy arises on the Board or a director advises the Board of his or her intention to resign, the Committee shall recommend to the Board for nomination by the Board for election at an extraordinary general meeting of shareholders or the next annual general meeting of shareholders meeting such prospective member of the Board as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.
  - (c) Consider suggestions for Board membership submitted by shareholders in accordance with procedures set forth in the Articles of Association.
  - (d) For purposes of clauses (a), (b) and (c) above, the Committee shall establish criteria for independent director selection. Such criteria shall be established based on the skills, and experience needed to assist the Company to achieve its current and future objectives and to satisfy the independence standards required by the Corporate Governance Guidelines and NASDAQ as well as any other applicable law or regulatory requirement.
  - (e) The foregoing notwithstanding, if the Company is legally required by contract or otherwise to permit a third party to designate one or more of the directors to be appointed, then the Company undertakes to nominate such candidates for election to the shareholders.
3. Recommend to the Board the appropriate number of Board meetings per year.
4. Recommend to the Board the appropriate director tenure.

5. Develop and recommend to the Board for its approval a process for the annual review of the performance of the Board, its committees, and individual Board members.
6. The Committee shall review the performance of each current director and shall consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term.
7. In appropriate circumstances, the Committee, in its discretion, shall consider and may recommend to the shareholders the removal of a director from his/her functions in accordance with applicable law.
8. The Committee shall have the sole authority to retain and terminate any search firm engaged to assist in identifying director candidates, and shall have sole authority to approve related fees and other retention terms.

B. Committees

1. Review the Board's committee structure and recommend to the Board for its approval directors to serve as members of each committee. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.

C. Officers

1. Review the Chief Executive Officer's nomination of corporate officers and recommend other nominees to the Board for election as officers of the Company.
2. Review periodically with the Chief Executive Officer of the Company the succession plans relating to the positions held by elected corporate officers. Notwithstanding the foregoing, the Board may elect to review succession plans with the Chief Executive Officer.

D. Corporate Governance

1. The Committee may make recommendations to the Board regarding governance matters, including, but not limited to, the Company's Articles of Association, organizational regulations, this Charter and the charters of the Company's other committees.
2. Review and reassess the Corporate Governance Guidelines on an annual basis, or more frequently if appropriate, and recommend any proposed changes as necessary to the Board for approval. The Committee shall review and approve specific situations involving

variances from or exceptions to the applicability of the Corporate Governance Guidelines.

3. In conjunction with the General Counsel and/or the Corporate Secretary, or such other officer(s) performing substantially similar functions, advise the Board on developments in governance principles and practices.
4. Review, and make recommendations to the Board concerning, the Company's Code of Business Conduct and Ethics for directors, officers and employees, which shall satisfy the requirements of any applicable law or regulatory requirements.
5. The Committee shall consider, develop and recommend to the Board such policies and procedures with respect to the nomination of directors or other corporate governance matters as may be required or required to be disclosed pursuant to any rules promulgated by the Securities and Exchange Commission or otherwise considered to be desirable and appropriate in the discretion of the Committee. The Committee shall also review any disclosure of the nominating process or other relevant corporate governance matters required by applicable law or regulatory requirements.

E. Membership

1. The Committee shall consist of three or more directors (i.e. members of the Board), as determined by the Board.
2. Members of the Committee shall be appointed and may be removed by the Board of Directors. All members of the Committee shall be independent directors, and shall satisfy applicable independence requirements of the Corporate Governance Guidelines, NASDAQ and other applicable law or regulatory requirements.
3. The Committee shall have the authority to delegate any of its responsibilities to subcommittees consisting of one or more members of the Committee as the Committee may deem appropriate in its sole discretion, to the extent consistent with the Company's Articles of Association, organizational regulations, Corporate Governance Guidelines, applicable law and the requirements of NASDAQ.

F. Meetings

1. The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the

Articles of Association and organizational regulations that are applicable to the Committee.

2. A majority of the members of the Committee shall constitute a quorum for the transaction of business.
3. The vote of a majority of the members present at any meeting at which a quorum is present shall be the act of the Committee.
4. The Committee may, at its discretion, include in its meetings any appropriate members of the Company's management. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems appropriate, including but not limited to, any non-management director who is not a member of the Committee.
5. Any director may attend and participate in discussions of the Committee although formal Committee action will only be through the vote of the appointed Committee members.
6. The Committee may retain any independent counsel, experts or advisors that the Committee believes to be desirable and appropriate. The Committee may also use the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

G. Minutes

Minutes of each meeting of the Committee will be sent to Committee members and to all Board members. The original minutes will be filed in the corporate archives.

H. Reporting

1. The Committee Chair shall report the activities of the Committee to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review and reassess at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.
2. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

I. Schedule

1. The Committee shall meet at least two times per year or more frequently as the Committee deems necessary or desirable.
2. The Committee Chair shall have the authority to call a special meeting of the Committee whenever he or she deems such meeting necessary or desirable.

**Approved by the Board,  
Zug, August 2, 2011**