

Independence criteria for Outside Directors

WealthNavi has set the criteria for the independence of Outside Directors and the candidate Directors. An Outside Director will be deemed independent if none of the following applies:

1. The director is, or has been within the last ten years, an executive director, executive officer, or employee (hereinafter collectively referred to as an “executor”) of the Company.
2. The director holds, or has held within the last three years, 10% or more of total voting rights of the Company either directly or indirectly. Or the director is, or has been within the last three years, employed as an executor of such an entity.
3. The director is, or has been within the last three years, a major business partner of the Company¹ or is, or has been within the last three years employed as an executor of such an entity.
4. The director is, or has been within the last three years, a major business partner for the Company² or is, or has been within the last three years employed as an executor of such an entity.
5. The director is, or has been within the last three years, an accountant or employee of an accounting firm that works on the Company’s audit.
6. The director has received, during any 12-month period within the last three years, more than 10 million yen in direct compensation or any other form of benefit from the Company, either directly or through an entity which the director belongs to, for services as a consultant, attorney, accountant, tax accountant, etc. other than compensation as an Outside Director of the Company.
7. The director has received, during any 12-month period within the last three years, more than 10 million yen in charitable contributions or grants from the Company. Where the director is, or has been within the last three years, employed as an executor of such an entity.
8. The director has a spouse or relatives within a second degree of kinship who applies to any of the 1 to 7. If the applicable family member is an executor, this only applies in case that he or she is a significant executor³.
9. The director may have a constant conflict of interest with the general shareholders even when none of 1 to 8 above is applicable.

Notes:

1 “A major business partner of the Company” includes a partner that the Company has made payments to in an amount which, in the latest fiscal year, exceeds 2% of the partner’s consolidated gross revenue.

2 “A major business partner for the Company” includes a partner that the Company has received payments from in an amount which, in the latest fiscal year, exceeds 2% of the Company’s operating revenue, or a partner which has provided loans to the Company in an amount which, as of the latest fiscal year end, exceeds 2% of the Company’s total assets.

3 “A significant executor” includes a Director excluding an outside director, executive officer, and department head.