

# NOMINATION COMMITTEE

## TERMS OF REFERENCE

Reference to: “the Committee” shall mean the Nomination Committee  
“the Board” shall mean the Board of Directors  
“the Company” shall mean XP Power Limited  
“the UK Corporate Governance Code” or “the Code” shall mean the 2018 UK Corporate Governance Code

### 1. Membership

- 1.1.** Members of the Committee shall be appointed by the Board and shall be made up of at least three members, the majority of whom shall be independent non-executive directors.
- 1.2.** Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Chief People Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3.** Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided that the majority of the Committee members remain independent.
- 1.4.** The Board shall appoint the Committee Chair who should be either the Chair of the Board or an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number, who shall be an independent non-executive director, to chair the meeting. The Chair of the Board shall not chair the Committee when it is dealing with the matter of succession of the Chair of the Board.

### 2. Secretary

- 2.1.** The Company Secretary, or their nominee, shall act as the Secretary of the Committee.

### 3. Quorum

- 3.1.** The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### 4. Frequency of Meetings

- 4.1.** The Committee shall meet at least once a year and at such other times as the Chair of the Committee shall require.

### 5. Notice of Meetings

- 5.1.** Meetings of the Committee shall be called by the Chair the Committee or at the request of the Chair of the Board or any of the Committee members.

**5.2.** Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

## **6. Minutes of Meetings**

**6.1.** The Secretary shall minute the proceedings and resolutions of all formal Committee meetings, including the names of those present and in attendance.

**6.2.** Minutes of Committee meetings shall be circulated to all members of the Committee and the Chair of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists or, exceptionally, in the opinion of the Chair of the Committee, it would be inappropriate to do so.

## **7. Annual General Meeting**

**7.1.** The Committee Chair should be available to attend the annual general meeting in person or by phone to answer any shareholder questions on the Committee's activities. In addition the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **8. Duties**

**8.1.** The Committee shall:

- 8.1.1.** regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 8.1.2.** give consideration to orderly succession planning for directors and other senior executives in the course of its work and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise are therefore needed on the Board in the future;
- 8.1.3.** be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 8.1.4.** before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates the Committee shall:
  - 8.1.4.1** use open advertising or the services of external advisers to facilitate the search;
  - 8.1.4.2** consider candidates from a wide range of backgrounds; and
  - 8.1.4.3** consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the position;
- 8.1.5.** keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

- 8.1.6.** keep up-to-date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 8.1.7.** prior to the appointment of a director, any significant time commitments with an indication of the time involved should be disclosed. The proposed appointee should also be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that may result in a conflict of interest. These must be authorised by the Board prior to appointment and any future business interests that could result in a conflict of interest must not be undertaken without prior authorisation of the Board;
- 8.1.8** ensure that, on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
- 8.1.9** review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning;
- 8.1.10** review annually the time commitment expected from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 8.1.11** work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly;
- 8.2.** The Committee shall also make recommendations to the Board concerning:
  - 8.2.1.** formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chair and Chief Executive;
  - 8.2.2.** suitable candidates as new directors and succession for existing directors, including for the role of senior independent director;
  - 8.2.3.** membership of the Audit and Remuneration Committees, and any other Board committees as appropriate, in consultation with the Chair of those committees.
  - 8.2.4.** the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - 8.2.5.** the re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability to contribute to the Board in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the Chair and the Board as a whole;
  - 8.2.6.** any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and
  - 8.7.7.** the appointment of any director to executive or other office other than to the positions of Chair and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

## 9. Reporting Responsibilities

- 9.1. The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for board discussion when necessary.
- 9.3. The Committee shall produce a report to be included in the annual report describing the work of the Nomination Committee, including:
  - 9.3.1. the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline;
  - 9.3.2. how board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has influenced or will influence board composition;
  - 9.3.3. the policy on diversity and inclusion, its objective and linkage to company strategy, how it has been implemented and progress on achieving the objectives, and
  - 9.3.4. the gender balance of those in the senior management team and their direct reports.
- 9.4. If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement made about any other connection it has with the Company or individual directors.

## 10. Other Matters

The Committee shall:

- 10.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required;
- 10.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3. give due consideration to all relevant laws and regulations, the provisions of the Code and associated guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;
- 10.4. at least annually, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.5. make these terms of reference available on the Company's website.

## 11. Authority

- 11.1. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

**Approved by the Board of Directors of XP Power Limited on 17 December 2021**