

# Board Diversity & Inclusion Policy

The Board Diversity and Inclusion Policy (the “Policy”) sets out the approach to diversity of the Board of Directors of XP Power Limited (the “Board”).

## Policy statement

The Board is committed to greater diversity within our business. Becoming a truly diverse and inclusive company is not only the right thing to do, it is crucial to helping us grow our business, innovate, attract and retain talent, and engage the customers who buy our power solutions.

Operating globally, we recognise that a truly diverse workforce, in terms of ideas, skills, knowledge, experience, ethnicity, gender, or any other measure, reflects our markets and will help us succeed in those markets, which is very important for the continuing long term success of the Company.

This also applies when it comes to the makeup of the Board. A diverse Board with a range of views, insights, perspectives and opinions will improve its decision making and be of benefit to the Company’s shareholders and different stakeholders we have as a global organisation.

In accordance with its terms of reference, our Nomination Committee (the “Committee”) regularly reviews the structure, size and composition of the Board and recommends candidates to fill Board vacancies as they arise. In considering the composition of the Board the Committee will consider, amongst other things, the skills, knowledge, experience and diversity of the Board.

## Measurable objectives

Objectives for improving aspects of the Board’s diversity may be set in between policy reviews as appropriate. The Company adopts a formal, rigorous and transparent appointment procedure for new directors and senior leadership positions. In identifying suitable candidates for appointment to the Board, the Committee will:

- i) For all Non-Executive Director appointments, and where appropriate for Executive Director appointments, use open advertising or the services of external executive search firms to facilitate the search;
- ii) If using executive search firms, only use firms that have signed up to the Voluntary Code of Conduct for Executive Search Firms;
- iii) Ensure balanced shortlists for all Non-Executive Director and Executive Director appointments, with consideration given to candidates of different genders with a diverse range of social, cultural, educational and professional backgrounds and experiences;
- iv) Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board; and
- v) Ensure that no unlawful discrimination occurs at any stage in the selection process on the grounds of age, disability, gender reassignment, marriage and civil partnership, maternity, pregnancy, race, country of origin, nationality, ethnicity, cultural background, religion or belief, sex or sexual orientation.

The Board is committed to:

- i) Maintaining a 40% level of female representation on the Board;
- ii) A female appointed to fulfil at least one of the senior board positions (Chair, Senior Independent Director, CEO or CFO);
- iii) Continuing to maintain having at least one ethnically diverse board member; and
- iv) Ensuring that diversity in its broadest sense remains a central feature of the Board and in senior leadership positions.

The Board recognises the importance of developing diversity in senior leadership positions. The Board will support and monitor management’s actions to increase the proportion of senior leadership positions held by women, people from ethnic minority backgrounds and other under-represented groups across the Group.

**Monitoring and reporting**

The Committee will report annually, in the Company's Annual Report, on the process it has used in relation to Board appointments and will include a summary of, and progress against any measurable objectives in the Policy.

The Committee will review the Policy annually, or as appropriate, to reflect best practice and to ensure the effectiveness of the Policy. The Committee will discuss proposed changes to the Policy and will recommend any such changes to the Board for approval.

**Approved by the Board of Directors of XP Power Limited on 8 December 2022**