



XAAR PLC

Nomination Committee: Terms of Reference

Adopted by the Remuneration Committee on 23 October 2024
Last amended: 24 October 2024

1 Applicability

- 1.1 These Terms of Reference for the Xaar plc Nomination Committee (the “**Committee**”) are effective with effect from 24 October 2024 and supersede all previous Terms of Reference.

2 Membership

- 2.1 Members of the Committee shall be appointed by the Board of Directors of the Company (the “**Board**”) and shall be made up of least three members, the majority of whom shall be independent non-executive directors, as determined by the Board (in accordance with the UK Corporate Governance Code 2024 (“**Code**”)).
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive (if not a member of the Committee), the Chief People Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3 Appointments to the Committee, including the Chairman of the Committee (“**Committee Chairman**”), shall be for a period of up to three years, which may be extended for up to two further periods of up to three years, provided the member still meets the criteria for membership of the Committee.
- 2.4 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board (“**Chairman**”) or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present at the meeting shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman shall not chair the Committee when it is dealing with the appointment of their successor.

3 Secretary

- 3.1 The Company Secretary or his/her nominee shall act as the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4 Quorum

- 4.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members present in person both of whom must be independent non-executive directors.



4.2 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.

5 Frequency of Meetings

5.1 The Committee shall meet typically twice a year and at such other times as the Committee Chairman shall require or as may be requested by any member of the Committee.

6 Notice of Meetings and Voting Arrangements

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Committee Chairman.

6.2 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, no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6.3 Subject to paragraph 6.4 and 6.5, each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can be cast by members attending a meeting of the Committee (including attendance via telephone or video conference) or by e-mail should this be appropriate, as determined by the Committee Chairman, regarding the matter being considered.

6.4 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

6.5 Save where he or she has a personal interest, the Committee Chairman shall have a casting vote.

6.6 The Committee Chairman may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

6.7 All decisions of the Committee shall be formally reported to the Board by the Committee Chairman.

6.8 Meetings of the Committee may be conducted when the members are physically present together or in the form of either audio or video conference.

6.9 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

7 Minutes of Meetings

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



7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman. Once agreed, minutes shall be circulated to all other members of the Board, unless in the opinion of the Committee Chairman, it would be inappropriate to do so (for example, if a conflict of interest exists).

8 Annual General Meeting

8.1 The Committee Chairman shall attend the Annual General Meeting and shall answer shareholder questions on the Committee's activities over the year (including details on engagement with shareholders on significant matters).

9 Duties

9.1 The Committee should carry out the duties below for the Company and its subsidiaries ("**Group**") and advise the Board appropriately.

9.2 The Committee shall:

9.2.1 regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) required of the Board and its committees, taking account of the Company's strategic priorities and the matters affecting the Company in paragraph 9.2.15 and make recommendations to the Board with regard to any changes that are deemed necessary;

9.2.2 in the course of its work, give full consideration to succession planning for directors and senior management, based on merit and objective criteria, taking into account the challenges and opportunities facing the Company, the skills and expertise that are therefore needed on the Board in the future, the length of service of the Board as a whole and the need for its membership to be regularly refreshed;

9.2.3 satisfy itself that plans are in place for orderly succession for appointments to the board and senior management;

9.2.4 oversee the development of a diverse pipeline for succession, having regard to diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;

9.2.5 be responsible for identifying and nominating for the approval of the Board, candidates from diverse backgrounds to fill board vacancies as and when they arise;

9.2.6 consider proposals for the re-appointment or promotion of directors and also any proposal for their dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment;

9.2.7 before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and the future challenges affecting the Company, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular



appointment and set the process to identify, sift and interview suitable candidates. In identifying suitable candidates the Committee shall:

- (i) use such methods as it deems appropriate including appropriate use of open advertising or the services of external advisers or consultants to facilitate the search;
- (ii) consider candidates from diverse backgrounds; and
- (iii) consider candidates on merit and against objective criteria and with due regard for promoting the benefits of diversity on the Board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;

- 9.2.8 for the appointment of the Chairman, prepare a job specification, including the time commitment expected. A proposed Committee Chairman's other significant commitments should be disclosed to the Board before appointment, indicating the time involved, and any changes to the Committee Chairman's commitments should be reported to the Board as they arise;
- 9.2.9 before appointment of a director, require the proposed appointee to disclose other significant commitments to the Board, indicating the time involved;
- 9.2.10 prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 9.2.11 consider and, if appropriate, authorise situational conflicts of interest of directors and potential directors;
- 9.2.12 keep under review potential conflicts of interests of directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary;
- 9.2.13 at all times take care to minimise the risk of any conflict of interest within the Committee that might be seen to give rise to an unacceptable influence;
- 9.2.14 keep under review the leadership needs of the organisation, relating both to the Board and senior management, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 9.2.15 keep up to date and fully informed about strategic issues and commercial changes affecting the long-term success and future viability of the Company and the market in which it operates;



- 9.2.16 set measurable objectives for diversity and inclusion in relation to the Board and senior management positions, prepare a policy on how to promote Board and senior management diversity and inclusion and increase of the gender balance of those in senior management and their direct reports to meet those objectives;
- 9.2.17 review annually the time required from non-executive directors, including the Chairman. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 9.2.18 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;
- 9.2.19 ensure that all directors offer themselves for annual re-election by shareholders in accordance with the Code (Provision 18) or the retirement by rotation provisions in the articles of association of the Company, having regard to their performance and ability to continue to contribute effectively to the Board and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed;
- 9.2.20 keep under review the number of external appointments held by each director;
- 9.2.21 ensure that all new directors undertake an appropriate induction programme to ensure that they are fully informed on the Company's main areas of business activity, including those involving significant risk, and the strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director;
- 9.2.22 consider any training requirements for the Board as a whole;
- 9.2.23 assist the Chairman with the implementation of an annual evaluation process to assess the composition of the Board and the overall and individual performance and effectiveness of the Board and its committees. This should include the consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths, how the Board and its committees work together as a unit effectively to achieve objectives, and other factors relevant to the Board's effectiveness;
- 9.2.24 review the results of the Board's performance evaluation process that relate to the composition of the Board, its diversity and how effectively members of the Board work together to achieve objectives;
- 9.2.25 consider whether the evaluation of the Board should be externally facilitated at least every three years;



- 9.2.26 ensure that each director engages with the evaluation process and takes appropriate action when development needs have been identified. The Committee Chairman should review and act on the results of the evaluation of the Board, its committees, and individual directors, by recognising the strengths and addressing any weaknesses identified;
 - 9.2.27 review the results of the performance evaluation of the Committee; and
 - 9.2.28 work and liaise as necessary with all other Board committees.
- 9.3 The Committee shall also make recommendations to the Board concerning:
- 9.3.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
 - 9.3.2 suitable candidates for the role of senior independent director;
 - 9.3.3 membership of the Audit and Remuneration Committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
 - 9.3.4 the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which is to be considered at a meeting of the full Board;
 - 9.3.5 the Chairman, having assessed every year whether the present incumbent shall continue in post, taking into account the need for continuity versus freshness of approach and length of service (the Chairman should not remain in post beyond nine years from the date of their first appointment to the Board, other than to facilitate effective succession planning and the development of a diverse Board, whereby this period can be extended for a limited time, particularly where the Chairman was an existing non-executive director on appointment. A clear explanation should be provided);
 - 9.3.6 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 effectively to the Board and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed;
 - 9.3.7 the re-election by shareholders of directors under the annual re-election provisions of the Code (Provision 18) or the 'retirement by rotation' provisions in the articles of association of the Company, having due regard to their performance and ability to continue to contribute effectively to the Board and their contribution to the Company's long-term sustainable success; and
 - 9.3.8 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.

10 Reporting Responsibilities

- 10.1 The Committee Chairman shall report formally to the Board on its proceedings after each Committee meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall produce a report to be included in the Company's annual report including any matters required by the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and describing its work, including:
 - 10.3.1 its activities, the membership of the Committee, number of meetings and attendance over the course of the year;
 - 10.3.2 the process used to make appointments, its approach to succession planning and how both support developing a diverse pipeline;
 - 10.3.3 whether an external search agency, consultant or adviser has been used and if so, a statement as to whether it has any connection with the Company or individual directors;
 - 10.3.4 how the Board evaluation has been conducted, the use of external evaluators in the process including the nature and extent of their contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence Board composition;
 - 10.3.5 a description of the Board's policy on diversity, how it has been implemented, any measurable objectives and progress on achieving the objectives, and linkage to Company strategy; and
 - 10.3.6 the gender balance of those in senior management roles and their direct reports.
- 10.4 The Committee shall ensure through the Chairman that the Company maintains contact and the Committee Chairman seeks engagement, as required, with the Company's major shareholders on significant matters related to the Committee's areas of responsibility.

11 Other

- 11.1 The Committee shall:
 - 11.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and Legal Counsel for assistance as required;



- 11.1.2 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;
- 11.1.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and any other applicable rules, as appropriate; and
- 11.1.4 arrange for periodic reviews of its own performance, and at least annually, review its 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.

12 Authority

- 12.1 The Committee is authorised by the Board to:
 - 12.1.1 carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate independent or professional advice on any matter within its terms of reference as it considers necessary
 - 12.1.2 seek any information it requires from any employee of the Group, in order to perform its duties;
 - 12.1.3 call any employee of the Group to be questioned at a Committee meeting as and when required;
 - 12.1.4 obtain, within any budgetary restraints imposed by the Board, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
 - 12.1.5 publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.