

— ○ BOARD ROLES

Role of the Chair, Chief Executive Officer and Senior Independent Director

Role of Chair

The duties of the Chair arise from their Leadership of the board, ensuring the board's effectiveness in all aspects of its role and setting of its agenda and their responsibility for the Group's Corporate Governance.

The Chair's responsibilities include:

1. Board Meetings

- 1.1. Providing leadership to the board, chairing board meetings and those of the nomination committee.
- 1.2. Running the board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings.
- 1.3. Setting the board agenda, ensuring it is balanced and covers: purpose, strategy, values, culture, business performance, stakeholders and accountability.
- 1.4. Ensuring there is a timely flow of accurate, high-quality and clear information.
- 1.5. Promoting a culture of openness and constructive debate, in particular by facilitating the effective contribution of non-executive directors, and ensuring constructive relations between executive and non-executive directors.
- 1.6. Managing the board to allow enough time for discussion of complex or contentious issues. The Chair should ensure that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making.
- 1.7. Ensuring that there is appropriate delegation of authority from the board to executive directors.

2. Directors

- 2.1. Facilitating the effective contribution of non-executive directors and encouraging active engagement by all members of the board by drawing on their skills, experience and knowledge.
 - 2.2. Ensuring all directors are aware of and able to discharge their statutory duties.
 - 2.3. Fostering constructive relations based on trust, mutual respect and open communication between the executive and non-executive directors both inside and outside the boardroom, ensuring an appropriate balance of skills and personalities.
 - 2.4. Establishing a close and productive working relationship with the CEO and CFO,
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providing support and advice on the delivery of XP Power's strategy and acting as a sounding board for the Chief Executive.

2.5. Holding meetings with the non-executive directors without the executives present.

3. Induction, Development and Performance Evaluation

- 3.1.** Providing guidance and mentoring to new directors as appropriate and ensuring that new directors participate in an appropriate full, formal and tailored induction programme on joining the board.
- 3.2.** Ensuring the performance of the board, its committees and individual directors are evaluated at least annually and there is an externally facilitated board evaluation every three years.
- 3.3.** Ensuring that the evaluation of the board considers the board's composition, diversity and how effectively members work together to achieve objectives.
- 3.4.** Acting on the results of the board evaluation, by recognising the strengths and addressing the weaknesses of the board and where appropriate, through the Nomination Committee, proposing that new members be appointed to the board or seeking the resignation of directors.
- 3.5.** Ensuring that the development needs of directors are identified and, with the company secretary, enable these needs to be met. The directors should be able to continually update their skills and the knowledge and familiarity with XP Power as required to fulfil their role on the board and its committees.
- 3.6.** Identifying the development needs of the board as a whole to enhance its overall effectiveness as a team.

4. Relations with Shareholders and Stakeholders

- 4.1.** Ensuring effective communication with shareholders and other key stakeholders.
- 4.2.** Maintaining sufficient contact with key shareholders and financial analysts, in order to understand their views, issues and concerns, in particular discussing governance, strategy and remuneration with them.
- 4.3.** Ensuring there is a method for board engagement with XP Power's workforce.
- 4.4.** Ensuring that the views of shareholders, the workforce, customers and other key stakeholders are communicated to the board as a whole, so that all directors develop an understanding of these and to enable the views to be considered, as appropriate, in board discussion and decision making.
- 4.5.** Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers, suppliers, the environment and the community).

5. Governance

- 5.1.** Chairing shareholder meetings.
- 5.2.** Upholding the highest standards of integrity and probity to safeguard the interests and reputation of XP Power.
- 5.3.** Ensuring clear structure for, and the effective running of, board committees, that the membership of such committees is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of the committees.
- 5.4.** Ensuring the board determines the nature, and extent, of the significant risks XP Power is willing to embrace in the implementation of its strategy.

- 5.5. Ensuring that XP Power's board composition and capability is aligned with the challenges and opportunities facing the business, and with the Nomination Committee, that appropriate succession planning processes are in place for executives and non-executives.
- 5.6. Leading on Corporate Governance to ensure high standards are established and maintained throughout XP Power.

Role of Chief Executive Officer

The CEO is accountable and reports to the board and is responsible for the day to day operation of the group's business and profitability.

The CEO is also responsible for the following, within the authority limits delegated by the board:

1. Business Strategy and Management

- 1.1. Developing group objectives and strategy proposals for recommendation to the board, having regard to the group's responsibilities to its shareholders, customers, employees and other stakeholders ensuring the long-term stability of the business.
- 1.2. The successful achievement of objectives and execution of strategy following presentation to, and approval by, the board.
- 1.3. Recommending to the board an annual budget and three-year financial plan and ensuring their achievement following board approval.
- 1.4. Optimising as far as is reasonably possible the use and adequacy of the group's resources.
- 1.5. Ensuring that there is appropriate delegation of authority from the board to the Senior Leadership Team (SLT) and throughout XP Power.
- 1.6. Ensuring effective implementation of board decisions.
- 1.7. Regularly reviewing the operational performance and strategic direction of the group's business.

2. Investment and Financing

- 2.1. Examining proposed investments, divestments and major capital expenditure and recommending to the board those which are material either by nature or cost.

3. Risk Management and Controls

- 3.1. Managing the group's risk profile, including the health and safety performance of the business, in line with the extent and categories of risk identified as acceptable by the board.
- 3.2. Ensuring appropriate internal controls are in place..

4. Board Committees

- 4.1. Making recommendations to the Remuneration Committee on remuneration policy, executive remuneration and terms of employment of the other executive directors and members of the SLT, including the company secretary.
- 4.2. Making recommendations to the Nomination Committee on the role and capabilities required in respect of the appointment of other executive directors.

5. Communication

- 5.1. Providing a means for timely and accurate disclosure of information, including an escalation route for issues and maintaining a dialogue with the Chair and the board on important and strategic issues facing the group.
- 5.2. Ensuring effective communication with shareholders and other key stakeholders.
- 5.3. Communicating to XP Power's workforce the expectations in respect of XP Power's culture and to ensure that operational policies drive appropriate behaviour.
- 5.4. Ensuring the board is made aware of views gathered via engagement between management and the workforce.
- 5.5. Ensuring that the board is fully informed about all issues raised by the SLT on business matters on which it will have to make a decision, with any divergence of view from the SLT to be explained in a balanced way, prior to a final decision.

6. Governance

- 6.1. Together with the Chair, providing coherent leadership of XP Power, including, representing the group to customers, suppliers, government, shareholders, financial institutions, employees, the media, the community and the public.
- 6.2. Managing development and succession planning for the other executive directors and members of the SLT.
- 6.3. Ensuring that management fulfils its obligation to provide the board with:
 - 6.3.1. accurate, timely and clear information in a form and of a quality and comprehensiveness that will enable it to discharge its duties, take sound decisions, monitor effectively and provide advice to promote the success of the Company;
 - 6.3.2. the necessary resources for developing and updating their knowledge and capabilities; and
 - 6.3.3. appropriate knowledge of XP Power, including access to Company operations and members of the workforce.
- 6.4. Leading the CEO's direct reports (namely the other executive directors and members of the SLT) in the day to day running of the group's business.
- 6.5. Regularly reviewing the group's organisational structure and recommending changes as appropriate.
- 6.6. Formalising the roles and responsibilities of the other executive directors and members of the SLT, including clear delegation of authorities.
- 6.7. Ensuring that the performance of the other executive directors and members of the SLT is monitored by the board.
- 6.8. Developing group policies that control and mitigate risk in the business, for board approval and ensuring their effective implementation.
- 6.9. Ensuring that all group policies and procedures are followed and conform to the highest standards.

Role of Senior Independent Director

The role of the Senior Independent Director is appointed by the board.

The Senior Independent Director's responsibilities include:

1. Relations with shareholders and stakeholders

- 1.1. Be available to shareholders and other key stakeholders, if they have concerns in circumstances which contact through the normal channels of Chair, CEO or CFO has failed to resolve or for which contact is inappropriate.
- 1.2. Attend sufficient meetings with key shareholders and financial analysts to obtain a balanced understanding of their views, issues and concerns.

2. Governance

- 2.1. Assist in the maintenance of the stability of the board and the Company, particularly during periods of stress.
- 2.2. Work with the Chair, directors, shareholders and other key stakeholders, to resolve any significant issues. For example, where:
 - 2.2.1. there is a dispute between the Chair and the CEO;
 - 2.2.2. the shareholders or non-executive directors have expressed concerns that are not being addressed by the Chair or the CEO;
 - 2.2.3. the strategy being followed by the Chair and the CEO is not supported unanimously by the board;
 - 2.2.4. the relationship between the Chair and the CEO is particularly close;
 - 2.2.5. decisions are being made without the approval of the full board; or
 - 2.2.6. succession planning is being ignored.
- 2.3. Monitor the performance of the Chair and meet with the independent non-executive directors once a year to formally appraise his performance; and on any other occasions as is deemed appropriate.
- 2.4. Lead the performance evaluation of the Chair on behalf of the other directors.
- 2.5. Act as an intermediary for other directors when necessary.

3. Support for Chair and Other Directors

- 3.1. Meet or speak with the Chair regularly and act as a sounding board for him.
- 3.2. Deputise for the Chair at meetings of the board or shareholders.

4. Succession

- 4.1. Chair the nomination committee when it is considering the orderly succession process for the appointment of a Chair, working closely with the Nomination Committee.

Approved by the Board of Directors of XP Power Limited on 7 October 2021