

## **VIVOPOWER INTERNATIONAL PLC (the "Company")**

### **TERMS OF REFERENCE FOR NOMINATING COMMITTEE**

The following updated and revised terms of reference were proposed and adopted by a resolution of the Board of Directors on December 21, 2016.

#### **1. CONSTITUTION**

The Nominating Committee was established as a Board Committee on November 2, 2016. In these terms of reference, the "**Group**" means the Company and its subsidiary undertakings from time to time.

#### **2. MEMBERSHIP**

##### **2.1 Appointment of Committee**

The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board.

Subject to Company's reliance on any applicable phase-in rules, interpretations applicable to newly-listed companies, and applicable exemptions, all members of the Committee shall be independent non-executive directors that is, independent of management and free from any business or other relationship which could materially interfere with the exercise of their business judgement, and shall satisfy applicable independence standards under the laws, rules and regulations of the Securities and Exchange Commission, the Nasdaq Capital Market and under the Companies Act 2006 (collectively, "**Applicable Rules**").

##### **2.2 Other attendees**

Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the chief executive officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

##### **2.3 Reconfirmation**

Each appointed Committee member shall be subject to annual reconfirmation and may be removed by the Board at any time.

##### **2.4 Committee chairman**

The Board shall appoint the Committee chairman who should be either the chairman of the Board or an independent non-executive director, and may also appoint a deputy chairman. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves 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 of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

3. **SECRETARY**

The Company secretary, or the nominee of the chairman of the Committee, shall act as the secretary of the Committee.

4. **QUORUM**

The quorum necessary for the transaction of business shall be two members. If less than a quorum is available for a given meeting, the Board may, in its discretion, delegate the responsibilities of the Committee to the available members of the Committee and/or any substitute members who meet the qualifications for membership for the purposes of such meeting, provided that decisions made under such authority shall be presented to the full Committee at its next meeting.

5. **FREQUENCY OF MEETINGS AND NOTICE**

5.1 **Number of meetings**

The Committee shall meet at least twice a year and otherwise as required.

5.2 **Calling of meetings**

Meetings of the Committee shall be called by the Committee secretary at the request of the Committee chairman.

Meetings may be in person or by conference call or other similar communications equipment by means of which all persons participating in the meeting can hear each other. The Committee may also act by unanimous written consent.

5.3 **Notice of meetings**

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 and to any other person required to attend, as well as to all other non-executive directors, no fewer than two 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. **MINUTES OF MEETINGS**

6.1 **Preparation of minutes**

The Committee secretary shall minute the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.

## 6.2 **Circulation of minutes**

The Committee secretary shall promptly circulate draft minutes of Committee meetings to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee chairman it would be inappropriate to do so.

## 7. **ANNUAL GENERAL MEETING**

The Committee chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

## 8. **DUTIES**

### 8.1 **Duties of the Committee**

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

### 8.2 **Specific duties**

The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- (c) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (d) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (e) be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (f) 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. In identifying suitable candidates, the Committee shall
  - (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds; and

- (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- (g) for the appointment of a Company chairman, prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
- (h) 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;
- (i) 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;
- (j) review the results of the Board performance evaluation process that relate to the composition of the Board;
- (k) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- (l) work and liaise as necessary with all other Board Committees;
- (m) oversee the induction of new directors and the provision of appropriate training to the Board during the course of the year to ensure directors have the knowledge and skills to operate effectively;
- (n) evaluate the Board's performance annually, both on an individual basis and for the Board as a whole, taking into account such factors as attendance record, contribution during Board meetings and the amount of time that has been dedicated to Board matters during the course of the year. If the chairman of the Company is a member of the Committee, the performance of the chairman of the Company will be evaluated by the other member(s) of the Committee, taking into account feedback from other directors; and
- (o) develop and recommend to the Board a set of corporate governance principles, and review the adequacy of such principles and recommend any proposed changes to the Board.

### 8.3 Further duties involving recommendations to the Board

The Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and, in particular, for the key roles of chairman and chief executive;

- (b) membership of the audit and compensation Committees, and any other Board Committees as appropriate, in consultation with the chairman of those Committees;
- (c) 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 knowledge, skills and experience required;
- (d) the re-election by shareholders of directors under the retirement by any applicable rotation provisions in the Company's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- (e) 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 his or her service contract; and
- (f) the appointment of any director to executive or other office and ensure that the Board has the opportunity to meet any proposed appointee prior to approving the appointment.

9. **REPORTING RESPONSIBILITIES**

- 9.1 The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 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;

10. **OTHER MATTERS**

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- (c) give due consideration to Applicable Rules, and any other applicable laws, rules and regulations, as appropriate; and
- (d) 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.

11. **AUTHORITY**

The Committee is authorised by the Board to:

- (a) obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- (b) seek any information it requires from any employee of the Company in order to perform its duties.

Adopted by resolution of the Board of Directors of VivoPower International PLC at a meeting held on December 21, 2016.

**Committee membership at date of adoption:**

*Chairman*

Kevin Chin

*Other members*

Gary Hui

Peter Sermol