



Ultra Electronics Holdings plc
(the "Company")

Terms of Reference of the Nomination Committee

1. CONSTITUTION

The Board has resolved to establish a Committee of the Board to be known as the Nomination Committee (the "Committee").

2. MEMBERSHIP

- 2.1 The Committee shall comprise at least three members. A majority of the members of the committee shall be independent non-executive directors.
- 2.2 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 the director still meets the criteria for membership of the committee.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However other individuals such as the Chief Executive, the Chief HR Officer and external advisers may be invited to attend all or part of any meeting as and when appropriate.
- 2.4 The Board shall appoint the Committee Chair who shall 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 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 Chair of the Board shall not chair the Committee when it is dealing with the matter of his or her succession .

3. SECRETARY

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

4. QUORUM

A quorum shall be two members, both of whom must be independent Non-Executive Directors. No meeting may be convened unless all members of the Committee have received notice of the meeting. Whenever it is practicable, meetings should be arranged so that all Committee members can be present.

5. FREQUENCY OF MEETINGS

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

ULTRA

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 6.2 Unless otherwise agreed by all members of the Committee, 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 any other person required to attend, no later than five 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.

7. MINUTES OF MEETINGS

- 7.1 The Secretary of the Committee shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 7.2 Draft Committee minutes shall be circulated promptly to all Committee members. Once approved, the minutes shall be circulated to all other Board members unless it would be inappropriate to do so in the opinion of the Committee Chair.

8. ENGAGEMENT WITH SHAREHOLDERS

The Committee Chair should attend the Annual General Meeting to answer 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, if appropriate or if requested by a major shareholder.

9. DUTIES

The Committee shall:

- 9.1 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;
- 9.2 ensure plans are in place for orderly succession to board and senior management positions, 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 needed on the Board in the future;
- 9.3 keep under review the leadership needs of the Group, both Executive and Non-Executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- 9.4 keep up-to-date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 9.5 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 9.6 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

ULTRA

evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:

- 9.6.1 use open advertising or the services of external advisers to facilitate the search;
 - 9.6.2 consider candidates from a wide range of backgrounds; and
 - 9.6.3 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;
- 9.7 prior to the appointment of a Director, other significant time commitments should be disclosed and any additional future commitments should not be undertaken without prior approval of the Board. The proposed appointee should also be required to disclose any other 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;
- 9.8 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;
- 9.9 review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning;
- 9.10 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.
- 9.11 work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the board is reviewed regularly;

The Committee shall also make recommendations to the Board concerning:

- 9.12 any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved;
- 9.13 suitable candidates for new Directors and succession for existing Directors;
- 9.14 membership of the Audit and Remuneration Committees and any other Board Committees as appropriate, in consultation with the Chair of those Committees;
- 9.15 the re-appointment of Non-Executive Directors 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;
- 9.16 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, and why their contribution is important to the Company's long-term sustainable success in the light of the knowledge, skills and experience

ULTRA

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 whole;

- 9.17 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
- 9.18 the appointment of any Director to executive or other office.

11. REPORTING RESPONSIBILITIES

- 11.1 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.
- 11.2 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.
- 11.3 The committee shall produce a report to be included in the company's annual report describing the work of the nomination committee, including:
 - 11.3.1 the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline
 - 11.3.2 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
 - 11.3.3 the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives, and
 - 11.3.4 the gender balance of those in the senior management team and their direct reports.
- 11.4 If an external search consultancy has been engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

12 OTHER MATTERS

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- 12.2 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;

ULTRA

- 12.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the FCA's Listing Rules, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
- 12.4 ensure that a periodic evaluation of the committee's own performance is carried out.
- 12.5 at least annually, review the committee's 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.

13 AUTHORITY

The Committee is authorised to obtain at the Company's expense, outside legal or professional advice on any matter within its terms of reference.