

DIALOG SEMICONDUCTOR PLC

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Revised: February 2020

1. **MEMBERSHIP**

- 1.1 The committee shall be appointed by the Board and shall consist of not less than three members. All members of the committee shall be independent non-executive directors. A quorum shall be two members.
- 1.2 The Chairman of the committee shall be appointed by the Board, who should be either the Chairman of the Board or an independent non-executive director. If the Chairman of the Board is appointed as Chairman of the committee, he shall not chair the committee when it is dealing with matters relating to the Chairmanship of the Board.

2. **SECRETARY**

The Company Secretary or his nominee shall act as the secretary of the committee.

3. **FREQUENCY OF MEETINGS**

Meetings shall be held when necessary for the carrying out of the duties of the committee or at such times as the Chairman of the committee shall require and at least four times a year. If it is considered necessary by the committee to meet more than six full days in any year then prior Board approval must be obtained.

4. **DUTIES**

- 4.1 The committee in carrying out its duties under these terms of reference will have regard to the Company's Corporate Governance Code.

4.2 **Duties in Respect of the Board**

4.2.1 The committee shall:

- (a) review regularly the Board structure, size, composition and effectiveness and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- (b) The Committee shall give full consideration to succession planning, including the development of a diverse pipeline, for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, the Group's diversity strategy and the skills and expertise needed in the Board in the future. It shall produce and recommend to the Board a Board diversity strategy. It shall review and approve changes to the Board diversity strategy and regularly review progress;
- (c) be responsible for identifying and nominating candidates for the approval of the Board, to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular, of the Chairman of the Board and the Chief Executive;
- (d) keep up to date and informed about the strategic issues and commercial changes affecting the Company;
- (e) review annually attendance by non-executive directors at Board meetings and meetings of those committees on which they sit. In this regard also assess the time commitments of current and future directors and chairmen; and

- (f) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out their duties.

4.2.2 The committee shall also make recommendations to the Board concerning:

- (a) membership of the Audit and Remuneration committees in consultation with the Chairman of that committee;
- (b) make recommendations to the Board for the continuation (or not) in service of any director as an executive or non-executive director, 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;
- (c) recommend directors who are retiring by rotation to be put forward for re-election, 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;
- (d) 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 law and their service contract;
- (e) the appointment of any director to executive or other office other than to the positions of Chairman of the Board and Chief Executive, the recommendation for which would be considered at a meeting of the Board;
- (f) the structure of, and appointment of any “advisory Board” members; and
- (g) manage all aspects of Chief Executive succession planning.

4.3 **Duties in Respect of the Executive Management (First Reports)**

The committee shall:

- 4.3.1 review regularly with the Chief Executive the Executive Management structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- 4.3.2 assist the Chief Executive in identifying and nominating candidates for the approval of the Board, to fill vacancies as and when they arise as well as put in place plans for succession (in each case having regard to diversity as set out in paragraph 4.2.1 (b)); and
- 4.3.3 make recommendations to the Board concerning any matters relating to the continuation in office of any Executive Management at any time including the suspension or termination of service as an employee of the Company subject to the provisions of law and their service contract.

- 4.4 The committee shall be responsible for selecting, appointing and setting the terms of reference for any management and recruitment consultants who advise the committee.
- 4.5 No director being a member of the committee shall participate or count in the quorum for any of the committee’s deliberations concerning his own nomination/election/continuation (or not) in office and the committee shall be quorate without the participation of such member on such matters.

5. **AUTHORITY**

- 5.1 The committee is authorised by the Board to consult any director or employee of the Company in order to perform its duties and shall have full authority to commission any reports or surveys it deems necessary to help fulfil its obligations (subject to paragraph 5.2).
- 5.2 The committee is authorised by the Board to obtain independent professional advice at the expense of the Company and/or to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The cost of obtaining this advice/attendance shall not exceed £150,000 (plus VAT if applicable) per annum unless prior Board approval has been obtained.

6. **REPORTING RESPONSIBILITIES**

- 6.1 The committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The minutes of meetings of the committee shall be available to all members of the Board unless a conflict of interest exists.
- 6.3 The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

7. **OTHER**

At least once a year the committee shall review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8. **COMPENSATION**

The committee members will be reimbursed for usual out of pocket expenses incurred. The Chairman of the committee and committee members will receive a fee as determined by the Board from time to time in addition to his directorship fee.