

XYRATEX LTD

NOMINATIONS AND GOVERNANCE COMMITTEE CHARTER

This Nominations and Governance Committee Charter was adopted by the Board of Directors (the “**Board**”) of Xyratex Ltd (the “**Company**”) and is effective on 01 December 2011.

I. Purpose

The purpose of the Nominations and Governance Committee (the “**Committee**”) of the Board is to assist the Board in discharging the Board’s responsibilities regarding:

- (a) the identification of qualified candidates to become Board members;
- (b) the selection of nominees for election as directors at the next annual meeting of shareholders (or special meeting of shareholders at which directors are to be elected);
- (c) the selection of candidates to fill any vacancies on the Board;
- (d) oversight of the evaluation of the Board; and
- (e) development and recommendation to the Board the governance principles applicable to the Company.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s Bye-laws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law and to the extent not in conflict with the Company’s Bye-laws, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

II. Membership

The Committee shall be composed of two or more directors, as determined by the Board, each of whom (a) satisfies the independence requirements of the rules of the NASDAQ Stock Market, Inc (the “**NASDAQ Rules**”), and (b) has experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Committee. The criteria for director independence are set forth in Annex A to this Charter.

The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause and with or without prior notice, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

III. Meetings and Procedures

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with the provisions of the Company's Bye-laws that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least two times per year and more frequently as the Committee deems necessary or advisable to fulfill its duties and responsibilities. Meetings of the Committee may be called by the Chair upon notice given at least twenty-four hours prior to the meeting, or upon such shorter notice as shall be approved by the Committee. A majority of the Committee members, present in person or by phone, shall constitute a quorum. A majority of the members present shall decide any questions brought before the Committee, except to the extent otherwise required by the Company's Bye-laws (as in effect from time to time). Notwithstanding the foregoing, in the event the Committee consists of only two members, both members must be present, in person or by phone, to constitute a quorum, and any questions brought before the Committee must be decided by unanimous vote. Meetings of the Committee may be held by conference call. Unless otherwise restricted by the Company's Bye-laws, any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all members of the Committee consent thereto in writing, and such writing is filed with the minutes of the Committee.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be desirable and appropriate. The Committee may also use the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other retention terms.

The Chair shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board.

IV. Duties and Responsibilities

1. (a) At an appropriate time prior to each annual meeting of shareholders at which directors are to be elected or reelected, the Committee shall recommend to the Board for nomination by the Board such candidates as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.
- (b) At an appropriate time after a vacancy arises on the Board or a director advises the Board of his or her intention to resign, the Committee shall recommend to the Board for appointment by the Board to fill such vacancy, such prospective member of the Board as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.
- (c) For purposes of (a) and (b) above, the Committee may consider the following criteria, among others the Committee shall deem appropriate, in recommending candidates for election to the Board:
 - (i) personal and professional integrity, ethics and values;
 - (ii) experience in corporate management, such as serving as an officer or former officer of a publicly held company;
 - (iii) experience in the Company's industry and with relevant social policy concerns;
 - (iv) experience as a board member or executive officer of another publicly held company;
 - (v) academic expertise in an area of the Company's operations; and
 - (vi) practical and mature business judgment, including the ability to make independent analytical inquiries;
 - (vii) any other relevant qualifications, attributes or skills.
2. The Committee shall, at least annually, review the performance of each current director and shall consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term.
3. The Committee, in its discretion, shall consider and may recommend the removal of a director for cause or other appropriate reasons in accordance with the Board's governance principles and the applicable provisions of the Company's Bye-laws.

4. The Committee shall oversee the Board in the Board's annual review of its performance (including its composition and organization), and will make appropriate recommendations to improve performance.
5. The Committee shall develop and recommend to the Board a policy regarding the consideration of director candidates recommended by the Company's shareholders and procedures for submission by shareholders of director nominee recommendations.
6. The Committee shall consider, develop and recommend to the Board such policies and procedures with respect to the nomination of directors or other corporate governance matters as may be required to be disclosed pursuant to any rules promulgated by the U.S. Securities and Exchange Commission or otherwise considered to be desirable and appropriate in the discretion of the Committee.
7. The Committee shall consider matters of corporate governance.
8. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
9. The Committee shall periodically report to the Board on its findings and actions.
10. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.
11. The Committee shall have access to the Company's management and employees, at its discretion, and may require management and employees to participate in matters affecting its activities.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's Bye-laws.

Independence Requirements**(as in effect on date 01 December 2011)**

Under the NASDAQ Rules, “independent director” means a person other than an executive officer or employee of the Company¹ or any other individual having a relationship, which, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. A director cannot be independent:

1. unless at least three years have passed since:
 - a. the director was employed by the Company (or any Family Member² of the director was employed by the Company as an executive officer);
 - b. the director (or any Family Member of the director) was a partner or employee of the Company’s outside auditor who worked on the Company’s audit, or is a current partner of the Company’s outside auditor; or
 - c. the director (or any Family Member of the director) was employed as an executive officer of another company whose compensation committee includes an executive officer of the Company;
 - d. the director participated in the preparation of the financial statements of the Company or any current subsidiary of the Company;
2. if the director (or any Family Member of the director) accepted payments from the Company or any parent or subsidiary of the Company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the determination of independence³; and
3. if the director (or a Family Member of the director) is a partner in, controlling shareholder or executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed five percent of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more.⁴

Under exceptional and limited circumstances the Committee may appoint one director to the Committee who is not independent (provided such director is not a current officer or employee of the Company or a Family Member of an officer or employee of the Company), if: (a) the Committee is comprised of at least three members; (b) the Board determines that it is in the best interest of the Company and its shareholders to appoint such director to the Committee; (c) the Board discloses the nature of the relationship and the reasons for the determination in its Annual Report on Form 20-F; and (d) the director in question does not serve longer than two years on the Committee.

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- 1 References to the “Company” include any parent or subsidiary of the Company. The term “parent or subsidiary” is intended to cover entities Xyratex Ltd controls and consolidates with its financial statements as filed with the U.S. SEC (but not if the Company reflects such entity solely as an investment in its financial statements).
- 2 “Family Member” is defined to include a person’s spouse, parents, children, siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home.
- 3 The following are not considered prohibited payments for purposes of the rule: (i) compensation for board or board committee service; (ii) compensation paid to a Family Member who is a non-executive employee of the Company; or (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.
- 4 The following are not considered prohibited payments for purposes of the rule: (i) payments arising solely from investments in the company’s securities; or (ii) payments under non-discretionary charitable contribution matching programs.