

Essentra plc ('the Company')

Nomination Committee – Terms of Reference

The Board of the Company (the "Board") resolved to establish a committee of the Board known as the Nomination Committee (the "Committee") at a meeting held on 12 May 2005, when terms of reference were formally agreed. The terms of reference for the Committee were revised and approved by the Board on 7 December 2012.

Purpose

- 1. Purpose** The purpose of the Committee is to review the balance, structure and composition of the Board and its Committees taking into account the future challenges and opportunities facing the Company. Its role encompasses the selection and appointment of the Company's executive and Non-executive Directors and giving full consideration to succession planning and the skills and expertise required by the Board to lead and manage the Company in the future.

Membership and Secretary

- 2. Composition** The Committee members shall be appointed by the Board in consultation with the Chairman of the Committee. The appointments shall be made in accordance with the Company's Articles of Association. The Committee shall comprise a minimum of three members, all of whom shall be, independent non-executive directors of the Company.
- 3. Committee membership** Each member shall hold office as a Committee member for a period of up to three years, which may be extended by no more than two additional three-year periods, so long as members continue to be independent.
- 4. Chairman** The Chairman of the Committee shall be either the Chairman of the Board or an independent Non-executive Director. However, the Chairman of the Board should not chair the Committee when it is dealing with the appointment of a successor to the chairmanship. The Chairman of the Committee shall be appointed by the Board from among the members of the Committee. In the absence of the Chairman of the Committee, the members present at any meeting of the Committee shall elect one of their number to chair the meeting.
- 5. Secretary** The Company Secretary or, with the consent of the Committee, his or her nominee shall be the Secretary of the Committee.

Meetings

- 6. Attendance** The Committee may invite any person to attend its meetings. Other than by invitation, no other person is entitled to be present at a meeting of the Committee.

7. **Frequency and Notice** The Committee Chairman, in consultation with the Secretary, shall decide the frequency and timing of the Committee's meetings. Meetings shall be held as required with a minimum of two meetings in each financial year of the Company and at such other times as the Chairman of the Committee shall require. The Secretary shall send out the agenda and relevant papers for each meeting in a timely manner.
8. **Quorum** The quorum for meetings of the Committee shall be two members present throughout the meeting.
9. **Minutes** The Secretary shall prepare and circulate to Committee members, minutes of each meeting of the Committee.

Authorities

10. **Resources** The Committee shall be provided with sufficient resources to undertake its duties.
11. **Advice** The Committee is authorised by the Board to obtain internal or external legal or other professional advice, including employing search and remuneration consultants, and to secure the attendance of such advisers at meetings, as it considers necessary, at the Company's expense.
12. **Support** The Committee shall have access to the services of the Secretary on all Committee matters.
13. **Information** The Committee is authorised to seek any information it requires from any employee, consultant or contractor of the Company or any of its subsidiaries in order to perform its duties.
14. **Reports** The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.
15. **Delegation** Any one or more members of the Committee may, with the Committee's approval, represent the Committee in dealings with potential Board candidates, search or remuneration consultants.
16. **Duties and responsibilities** The Committee shall undertake the following:
 - (A) **Board candidates.** The Committee shall be responsible for identifying and nominating candidates, including internal ones, to fill Board vacancies when they arise for the approval of the Board. In identifying suitable candidates, the Committee shall consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position; considering candidates from a wide range of backgrounds, and using open advertising and search consultants where appropriate to identify candidates;

- (B) **Job description** The Committee shall, prior to appointment, evaluate the current 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;
- (C) **Time commitment** The Committee shall 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, contributing effectively and demonstrating commitment to the role (including the commitment of time for Board and Committee meetings and other duties);
- (D) **Structure, size and composition** The Committee shall regularly review the structure, size and composition of the Board (including skills, knowledge and experience and diversity) and make recommendations to the Board with regard to any changes;
- (E) **Succession planning** The Committee shall 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 which are therefore needed on the Board in the future;
- (F) **Leadership** The Committee shall keep the leadership needs of the Company under review (both executive and non-executive) with a view to ensuring the continued ability of the Company to compete effectively in the market;
- (G) **Chairman** The Committee shall prepare a job specification for the appointment of a Chairman of the Board and of Board Committees, including an assessment of the time commitment expected, recognising the need for availability in the event of crises;
- (H) **Letter of appointment** The Committee shall arrange for non-executive directors to receive, on their appointment, and subsequent renewal of terms of appointment, a formal letter setting out the expected time commitment, Committee service expected of them and their involvement outside Board meetings;
- (I) **Availability of terms of reference** The Committee shall make available these terms of reference on request and by including the information on the Company's website,
- (J) **Conflict of Interest** The Committee shall regularly review the Conflict of Interest policy applicable to Executive and Non-executive Directors and the register of actual or potential conflicts.

17. **Recommendations** The Committee shall make recommendations to the Board (taking into consideration performance evaluation) with regard to:

- (A) **Size, structure and composition** Matters arising out of its review of the size, structure and composition of the Board;
- (B) **Succession plans** The formulation of plans for succession affecting Executive and Non-executive Directors and in particular for the key roles of Chairman and Chief Executive;
- (C) **Re-appointment of Non-executive Directors** The re-appointment of any Non-executive Director at the conclusion of their term of office, having given due regard to his or her performance, commitment to the role, compliance with the UK Corporate Governance Code, and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- (D) **Secretary** The appointment or removal of the Company Secretary;
- (E) **SID** Suitable candidates for the role of Senior Independent Non-executive Director;
- (F) **Other Committees** Membership of the Audit, Nomination and Remuneration Committees;

- (G) Rotation** Whether a Director who is due to retire under the Company's articles of association should be put forward for re-election, having due regard to his or her performance, compliance with the UK Corporate Governance Code, and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
 - (H) Appointments** The appointment of any Director to executive or other office; and
 - (I) Executive directors** Any matters relating to the continuation in office of any director at any time, including conflicts of interest, the suspension or termination of service of an executive director as an employee or officer of the Company, subject to the provisions of the law and their service contract.
- 18. General** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 19. Performance review** The Committee shall review its own performance (at least once a year internally and once every three years externally) and regularly review its terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Reporting

- 20. The Board** The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its remit.
- 21. Annual Report** The Chairman and members of the Committee shall be listed each year in the annual report. The Committee shall also prepare a statement for inclusion in the annual report which complies with the requirements of the UK Corporate Governance Code or other code of best practice applicable to the Company, including in particular how the Company and Committee addresses diversity .
- 22. AGM** The Chairman of the Committee shall be available to answer questions about the Committee's activities at each annual general meeting of the Company.