

**TERMS OF REFERENCE  
ESSENTRA PLC (THE 'COMPANY')  
NOMINATION COMMITTEE (THE 'COMMITTEE')**

19 December 2024

The Board of the Company ('the Board') had previously established 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. These terms of reference for the Committee were revised and approved by the Board on 19 December 2024.

**Purpose**

The role of the Committee is to develop and maintain a formal, rigorous and transparent procedure for making recommendations on appointments and reappointments to the Board and for Senior Executives. In making these recommendations the Committee will ensure that the members of the Board and its committees have the necessary skills and experience to enable the Company to achieve its strategic priorities and long-term success of the Company. The Committee will also oversee and lead the succession planning process for board roles and senior management.

The Committee will aim to be a key leader in the pursuit of improved diversity and inclusion at the most senior levels, including the Board, and will ensure any search processes reflect the Company's commitment to diversity and inclusion and good governance practices.

The Committee will detail in the Company's Annual Report how the 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 or will influence board composition;

The Committee's responsibility and authority covers the Company and its direct and indirect subsidiaries (the "Group").

**1. Membership**

- 1.1 The Committee shall comprise at least three directors. A majority of the members of the Committee shall be independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief People Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the Committee are made by the Board, in consultation with the Committee Chair, and shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.
- 1.4 The Board shall appoint the Committee Chair who should 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 succession to the chair.

1.5 The Committee will undertake that they have sufficient time to meet what is expected of them effectively.

## **2 Secretary**

The Company Secretary or their 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.

## **3 Quorum**

The quorum necessary for the transaction of business shall be three, all of whom must be independent non-executive directors.

## **4 Frequency of meetings**

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

## **5 Notice of meetings**

5.1 Meetings of the Committee shall be called by the Secretary of the Committee with consultation of the Committee Chair, or any of its members.

5.2 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, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be forwarded to committee members as appropriate, at the same time.

## **6 Minutes of meetings**

6.1 The Secretary of the Committee shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

6.2 Draft minutes of committee meetings shall be agreed with the Committee Chair and then circulated promptly to all members of the Committee, unless it would be inappropriate to do so in the opinion of the Committee Chair.

## **7 Annual general meeting & engagement with shareholders**

The Committee Chair should attend the Annual General Meeting to answer shareholder questions. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's area of responsibility.

## 8 Duties

The Committee shall:

- 8.1 conduct a continuous and proactive review of the structure, size and composition (including the skills, knowledge, experience and diversity and inclusion) of the Board and make recommendations to the Board with regard to any changes.
- 8.2 give full consideration to and oversee the development of a diverse pipeline for 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.
- 8.3 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.
- 8.4 having regard to its duties keep up to date and be fully informed about the Company's strategic priorities and the main trends and factors affecting the long-term success and future viability of the company.
- 8.5 be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise.
- 8.6 before any appointment is made by the Board, the Committee should evaluate the balance of skills, knowledge, experience and diversity and inclusion of the current Board membership, 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:
  - 8.6.1 consider candidates in accordance with the Board Diversity Policy during the nomination process
  - 8.6.2 use open advertising or the services of external consultants, who have made a commitment to promote diversity and inclusion, to facilitate the search
  - 8.6.3 consider candidates from a wide range of backgrounds
  - 8.6.4 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and personal attributes, taking care that candidates have enough time available to devote to the position.
- 8.7 for the appointment of a chair, the Committee should prepare a job specification, including the time commitment expected. A proposed chair, or any other director, should disclose to the Board any significant time commitments before appointment. Afterwards any changes to these commitments should be reported to the Board as they arise.
- 8.8 prior to the appointment of a director the Committee should ensure that the director will make a positive contribution to maximise the opportunities for the Company's success. Non-Executive directors should possess a range of critical skills of value to the Board and relevant to the

challenges and opportunities facing the Company.

- 8.9 prior to the appointment of a director, the proposed appointee is required to disclose to the Board any information which may result in a conflict of interest due to other business interests, or any other information which may be regarded as a potential conflict of interest. Afterwards any changes to the conflict of interest or potential conflict of interest should be reported to the Board as they arise.
- 8.10 ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment and subsequent renewal of terms of appointment setting them in terms of time commitment, committee service and involvement outside board meetings, which are subsequently available for inspection.
- 8.11 review the results of the board performance evaluation process that relate to the composition of the Board.
- 8.12 review regularly the time required from the Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.
- 8.13 review annually the Company's policy on diversity and inclusion, its objectives and linkage to the Company strategy, how it has been implemented and progress on achieving the objectives.
- 8.14 review regularly the gender balance of those in the senior management and their direct reports.
- 8.15 work and liaise as necessary with all other board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

## **9. Responsibilities**

The Committee shall:

- 9.1 formulate plans for succession for both executive and non-executive directors, taking into consideration diversity and inclusion in the boardroom and in particular for the key roles of chair and chief executive.
- 9.2 develop a diverse and inclusive executive succession pipeline amongst those in senior positions.
- 9.3 take on an active role in setting and meeting diversity and inclusion objectives and strategies for the Company as a whole.
- 9.4 monitor the impact of diversity and inclusion initiatives.

The Committee shall also make recommendations to the Board concerning:

- 9.5 any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.

- 9.6 suitable candidates for the role of senior independent director, other new directors and succession for existing directors taking into regard the Board Diversity Policy within the nomination process.
- 9.7 membership of the Audit and Remuneration Committees, and any other board committees as appropriate, in consultation with the Chair of those committees.
- 9.8 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 Board in the light of knowledge, skills and experience required.
- 9.9 the re-election, by shareholders, of directors under the annual re-election provisions of the UK Corporate Governance Code (the 'Code') having due regard to their performance and ability to continue to contribute to the long term sustainable success of the Company and 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).
- 9.10 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.
- 9.11 the appointment of any director to executive or other office.
- 9.12 the appointment and removal of the Company Secretary.

## **10. Reporting responsibilities**

- 10.1 The Committee Chair shall formally report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 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 available for Board discussion when necessary.
- 10.3 The Committee shall produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the company.
- 10.4 The report referred to in 10.3 above should include a statement of the Board's policy on diversity and inclusion, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.
- 10.5 The report referred to in 10.3 above should also include information on how the board evaluation had 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 Other matters**

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 11.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 11.3 give due consideration to current laws and regulations and the provisions of the Code.
- 11.4 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.

## **12 Authority**

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

## **13. Terms of Reference**

The Committee shall make its terms of reference publicly available and review these terms of reference on a regular basis and, if necessary, make recommendations to the Board for their amendment.