

Nomination Committee Report

Chair



Bob Lawson

Members



Frank Nelson



Martyn Coffey



Mark Kelly



Sucheta Govil

Dear Shareholder,

I am pleased to report to you on the main activities of the Committee and how it has performed its duties during 2019.

This year, the Committee's focus has been on overseeing the development of a more streamlined Executive Committee (see opposite for further details of the members) which has included, in part, recruitment for a new role of Chief Operating Officer.

In addition, the senior management team has been further strengthened during the year with three replacement appointments, as part of the Group's continued investment for growth. I am pleased that we have been able to attract high calibre individuals into these roles.

As part of the externally-facilitated annual Board evaluation this year, the performance of the Nomination Committee was reviewed and I am pleased to report that the evaluation showed that the Committee was operating effectively (see pages 59 and 60 for further details).

Finally, I would like to thank my fellow Committee members, all of whom have served throughout the year, for their valuable contribution and support, and I welcome any comments or questions from shareholders.

Bob Lawson

Chair of the Nomination Committee
12 March 2020

Role and responsibilities:

The principal duties of the Nomination Committee are to:

- regularly review the structure, size and composition of the Board (including its skills, knowledge, experience, length of service and diversity) and make recommendations to the Board with regard to any changes;
- identify and nominate, for the approval by the Board, candidates to fill Board vacancies;
- review the time commitments required from Non-executive Directors; and
- maintain an effective succession plan for the Board and senior management taking into account the challenges and opportunities facing the Company, along with the skills and expertise needed in the future, while promoting diversity of gender, background and skills.

Composition

The Nomination Committee is chaired by Bob Lawson, except where it is dealing with matters relating to his re-appointment or replacement, and comprises all 3 of the Non-executive Directors along with the Chief Executive Officer, all of whom have served on the Committee throughout the whole year.

The Code recommends that a majority of the Nomination Committee be Non-executive Directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement. The Board considers that the Company complies with the Code in this respect.

Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others, including the Human Resources Director and external advisers, to attend all or part of any meeting if it thinks it is appropriate, necessary or pursuant to the terms of any agreement with shareholders.

The Nomination Committee will meet as often as it deems necessary but, in accordance with its terms of reference, at least twice a year.

Summary of activities during the year

The Nomination Committee met formally twice during the year and attendance at the meetings is shown on page 60.

The main activities of the Committee included:

- overseeing the development of a more streamlined Executive Committee to support the strategy and governance of the wider Group;
- overseeing the search and selection process for the new role of Chief Operating Officer;
- overseeing the search and selection process for three replacement appointments within the senior management team;
- the ongoing review of the talent and succession planning for the Board and senior management including an assessment of their training and development needs;
- considering the results of the externally-facilitated review of the Committee's effectiveness (see page 59 for further details);
- a review of Directors' time commitments and independence;
- consideration of the re-election of Directors at the Annual General Meeting; and
- approving updates to the Committee's Terms of Reference.

Diversity and inclusion

All Board and senior management appointments are made on merit, in-line with the policy adopted throughout the Group's workforce. The Board recognises and embraces the benefits of diversity and, in particular, the value that different perspectives and experience bring to the quality of debate and decision-making.

There are several considerations which are taken into account when considering appointments at all levels such as background, experience, and skill set, as well as shareholder perspectives. However, the Board believes that setting targets for the number of people from a particular background or gender is not the most effective approach to take. The Board will therefore look to follow the principles of this policy rather than specified quotas or targets.

In line with this approach, a procedure has been implemented during the year to ensure female applicants for all supervisory, managerial and senior managerial vacancies are given an automatic right to interview, to ensure greater opportunity and encouragement of internal promotion and cross departmental shift.

Following the appointment of Sucheta Govil as an independent Non-executive Director in 2018, 17% (1 out of 6) of the Board is female, along with 26% (9 out of 35) of the senior management. This reflects the ongoing commitment to consider diversity as a key factor in future senior appointments. However, the overriding policy in any new appointment is to select candidates based on merit to ensure the continued success of the business.

Gender balance

The gender balance of those in the senior management and their direct reports is included within the Corporate Social Responsibility section on page 32.

Succession planning

As part of the development of the Executive Committee noted above, the Nomination Committee has considered succession planning for appointments to the Board and to senior management, so as to maintain an appropriate balance of skills and experience within the Company and on the Board.

This planning process includes an analysis of any succession gaps or risks identified and includes contingency plans for the sudden or unexpected departure of Executive Directors and other senior managers.

As a result, the Board has a good understanding of succession planning across the Group and the range of measures being used to continue to develop and recruit talented senior employees.

Executive Committee

Paul Walker

Group Company Secretary

Paul joined Eurocell in August 2019 and was appointed Group Company Secretary in September 2019. He previously worked for DFS Furniture plc where he was Financial Controller and, most recently, Director of Central Finance and Group Company Secretary. He is a member of the Institute of Chartered Accountants in England and Wales.

Ian Kemp

Sales Director – Profiles division

Ian joined Eurocell in 2012 and is Sales Director for the Profiles Division. Prior to that, he worked in the offsite construction industry for 12 years including Business Development Director for Caledonian Modular and UK Sales Manager for Portakabin.

Mark Hemming

Chief Operating Officer

Mark joined Eurocell in August 2019 having previously worked for Amazon UK for 6 years, most recently as Regional Director for Customer Fulfilment. Prior to that, Mark has experience of leading manufacturing plants in the automotive sector for Stadco Limited and Textron Automotive.

Chris Coxon

Head of Marketing

Chris joined Eurocell as Marketing Manager in 2007, becoming Head of Marketing in 2010, and also has responsibility for Customer Services and New Product Development. Previously, he worked for Portakabin Ltd in a number of marketing roles. Chris is a member of the Chartered Institute of Marketing (CIM).

Bruce Stephen

Group Human Resources Director

Bruce joined Eurocell in July 2019 as the Group Human Resources Director. He previously worked for Greencore holding various roles including, most recently, Corporate Services Human Resources Director. Prior to Greencore, Bruce worked for Danone (Dairy) and Walkers Snacks (PepsiCo).

Andy McDonnell

Managing Director – Building Plastics division

Andy joined Eurocell in May 2018 and has a 30 year career spanning across Retail and Trade, including senior board positions at B&Q, TradePoint and Oak Furniture Land. He is an experienced senior business leader that has delivered ambitious change and performance across global brands.