

## 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 2020.

This year, the Committee's main focus has been on succession planning for the Board, given the length and concurrency of service of the Chair and the majority of the Non-Executive Directors.

In addition, the Committee has continued to oversee the development of the Executive Committee, and its members, which has been in its current form since Autumn 2019 (see page 79 for further details of the members).

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  
11 March 2021

### 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.

### Summary of activities during the year

The Nomination Committee met formally twice during the year and attendance at the meetings is shown on page 70.

### The main activities of the Committee included:

- succession planning for the Board, given the length and concurrency of service of the Chair and the majority of the Non-executive Directors;
- overseeing the development of the Executive Committee to support the strategy and governance of the wider Group;
- the ongoing review of talent 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 69 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.

## Nomination Committee Report continued

### 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 three 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.

### 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, the Group has maintained the procedure 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.

The Board recognises the Group operates in a historically male-dominated industry. At present, 17% (1 out of 6) of the Board is female, along with 26% (12 out of 47) of the senior management. We have an 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 Responsible Business section on page 46.

### Succession planning

In 2020, the Committee increased its focus on succession planning for the Board, given the length and concurrency of service of the Chair (c.6 years) and the Non-executive Directors (c.6 years for two Non-executive Directors). It concluded that, in light of the requirements of the Code and best practice, whilst there is no immediate need for action, this matter should continue to be monitored to ensure any potential periods of transition are appropriately managed.

As part of the development of the Executive Committee, the Nomination Committee has also considered succession planning for appointments to the Board and to senior management, in order 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

(in addition to Mark Kelly and Michael Scott)



**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.



**Mark Hemming**  
Chief Operating Officer

Mark joined Eurocell in August 2019 having previously worked for Amazon UK, 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.



**Bruce Stephen**  
Group Human Resources Director

Bruce joined Eurocell in July 2019. 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).



**Ian Kemp**  
Sales Director – Profiles division

Ian joined Eurocell in 2012. 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.



**Andy McDonnell**  
Managing Director – Building Plastics division

Andy joined Eurocell in May 2018, having previously held senior leadership positions in retail and trade at B&Q, TradePoint and Oak Furniture Land.

## Audit and Risk Committee Report

### Chair



Frank Nelson

### Members



Martyn Coffey



Sucheta Govil

## Dear Shareholder,

### I am pleased to report to you on the Audit and Risk Committee's objectives and activities during 2020.

This report, which is part of the Directors' Report, explains how the Audit and Risk Committee has discharged its responsibilities during 2020.

During the year, the Committee's work has been dominated by the impact of COVID-19 on the Company's financial position, reporting and risk management.

In considering the Company's financial position and risk management processes, the Committee has considered short and medium-term profit and cash flow projections, in order to understand the range of potential outcomes and support the Executive in proactively managing the emerging effects of the pandemic on the Company's financing and cashflows.

In terms of financial reporting, the Committee has focused on the potential for the unique challenges posed by the pandemic to result in the impairment of assets, including stock, receivables, contract assets and goodwill. Our work, including a summary of the key accounting estimates and judgements made, is set out later in this report.

Further to last year's Audit and Risk Committee report, I can confirm that, following the completion of the 2019 audit, the transition to a new audit engagement partner concluded during the year and I am pleased to welcome Christopher Hibbs to the team.

Finally, I would like to thank my fellow Committee members, all of whom have served throughout the year, and both the internal and external auditors, for their valuable contribution and support during what has been a challenging period.

### Frank Nelson

Chair of the Audit and Risk Committee  
11 March 2021

### Role and responsibilities:

The key responsibilities of the Committee are to:

- review the Annual Report, half-year report and any other formal announcements relating to the Group's financial performance, giving due consideration to significant accounting issues and judgements contained therein, as well as compliance with accounting standards and other legal and regulatory requirements;
- review the Annual Report and Financial Statements to advise the Board on whether they give a fair, balanced and understandable explanation of the Group's business and performance over the relevant period;
- review the Group's financial reporting systems and procedures;
- review the Group's internal controls and risk management systems and advise the Board whether they are adequate, by considering reports on their effectiveness from the Chief Financial Officer and Chief Executive Officer, together with reports from the Group's outsourced internal auditor and from the external auditor;
- review and update the Group's risk register, as part of the assessment of emerging and principal risks;
- review the Group's procedures to ensure compliance with the provisions of the Bribery Act 2010 and the Group's whistleblowing policy;
- review the external auditor's independence and objectivity, audit and non-audit fees and make recommendations regarding audit tender and the appointment and remuneration of the auditor, together with the terms of their engagement;
- review the annual audit plan and monitor the effectiveness of the external audit process;
- monitor and review the effectiveness of the outsourced internal audit function, including a review of the internal audit plan, all internal audit reports, and management's responses to the findings and recommendations of the internal audit function;
- consider the adequacy of the Group's finance function;
- review the Group's Tax Strategy; and
- review the Committee Terms of Reference