

FORTERRA PLC
NOMINATION COMMITTEE
TERMS OF REFERENCE

Members:	As per the current membership schedule
Chairman:	As per the current membership schedule
Attendees (as may be invited by the Committee):	Chief Executive Officer Chief Financial Officer Human Resources Director Company Secretary
Frequency of meetings:	Annually and as required

1. CONSTITUTION AND ROLE

- 1.1 The nomination committee (the “**Committee**”) was constituted as a committee of the board of directors (the “**Board**”) of Forterra plc (the “**Company**”, together with its subsidiary undertakings, the “**Group**”) at a meeting of the Board held on 11 April 2016 in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3 The role of the Committee is to:
- (a) ensure that there is a formal, rigorous and transparent procedure for appointments to the Board;
 - (b) lead the process for appointments and make recommendations to the Board;
 - (c) assist the Board in ensuring its composition is regularly reviewed and refreshed, taking into account the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders;
 - (d) ensure plans are in place for orderly succession to positions on the Board and as regards senior executives, including the Company Secretary;
 - (e) oversee the development of a diverse pipeline for succession; and
 - (f) work and liaise with other Board committees, as appropriate, including the remuneration committee in respect of any remuneration package to be offered to any new appointee of the Board.

2. MEMBERSHIP

- 2.1 The nomination committee (the “**Committee**”) of the board of directors (the “**Board**”) of Forterra plc (the “**Company**”, together with its subsidiary undertakings, the “**Group**”) shall be comprised of at least three directors. A majority of the members of the Committee shall be independent Non-Executive Directors (as determined by the Board (in accordance with the principles of the UK Corporate Governance Code)).
- 2.2 Only members of the Committee have the right to attend and vote at meetings of the Committee. Other individuals such as the Chief Executive Officer, Chief Financial Officer, the Human Resources Director of the Group and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.
- 2.4 The Board shall appoint the chairman of the Committee who should be either the chairman of the Board or an independent Non-Executive Director. In the absence of the chairman of the Committee 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 chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

3. SECRETARY

The Company secretary or his or her nominee shall act as the secretary of the Committee and will and will provide all necessary support to the Committee including reporting of Committee minutes and ensure that members of the Committee receive information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. QUORUM

The quorum necessary for the transaction of business shall be two members present in person or by an audio or video conference., both of whom must be independent Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. FREQUENCY OF MEETINGS

- 5.1 The Committee shall meet at least once a year and otherwise as required.
- 5.2 The Committee shall meet to consider the Directors who are to retire by rotation at the next Annual General Meeting in good time to enable any recommendations of the Committee to be included in the notice of annual general meeting of the Company.

6. MEETINGS

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the chairman of the Committee.
- 6.2 Unless otherwise agreed and except where a situation of urgency otherwise requires, wherever practicable, 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 and 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 sent to committee members and to other attendees as appropriate, at the same time.
- 6.3 Papers required by the Committee may be provided electronically.

7. MINUTES OF MEETINGS

- 7.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.
- 7.2 Draft minutes of meeting of the Committee shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the chairman of the Committee it would be inappropriate to do so.

8. ANNUAL GENERAL MEETING

The chairman of the Committee should attend the annual general meeting of the Company prepared to answer any shareholder questions on the Committee's activities.

9. DUTIES

- 9.1 The Committee should carry out the duties below for the Company and the Group as a whole, as appropriate, and advise the Board appropriately.
- 9.2 **Composition of the Board and senior management**

The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) of the Board and its committees, taking account of the Company's strategic priorities and matters affecting the Company as set out in paragraph 9.2(c), and make recommendations to the Board with regard to any changes that are deemed necessary;
- (b) keep under review the leadership needs of the organisation, relating both to the Board and senior management, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

- (c) keep up to date and fully informed about the strategic and commercial issues and priorities and main trends and factors affecting the long-term success and future viability of the Company and the market in which it operates; and
- (d) set measurable objectives and targets for diversity and inclusion in relation to the Board and senior management positions, prepare a policy on the promotion of diversity and inclusion on the Board and in senior management and increase the gender balance of those in senior management and their direct reports to meet those objectives and targets.

9.3 **Succession planning**

The Committee shall:

- (a) give full consideration to succession planning for Directors and other senior management in the course of its work, based on merit and objective criteria and taking into account the challenges and opportunities facing the Company, the skills, experience, independence, knowledge and diversity needed on the Board in the future, the length of service of the Board as a whole and the need for its membership to be regularly refreshed;
- (b) satisfy itself that plans are in place for orderly succession for appointments to the Board and senior management; and
- (c) in conjunction with Human Resources Director, set diversity objectives and strategies for the Company as a whole and monitor the impact and outcome of diversity initiatives.

9.4 **Appointments to the Board**

The Committee shall:

- (a) be responsible for identifying and nominating for the approval of the Board, candidates from diverse backgrounds to fill Board vacancies as and when they arise;
- (b) consider proposals for the re-appointment or promotion of Directors and also any proposal for their dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment;
- (c) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience, independence and diversity on the Board, and the future challenges affecting the Company, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment and set the process to identify, sift and interview suitable candidates. In identifying suitable candidates, the Committee shall:
 - (i) use such methods as it deems appropriate, including the use of open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from diverse backgrounds; and

- (iii) consider candidates on merit, against objective criteria and with due regard for promoting the benefits of diversity on the Board, including of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees have enough time available to devote to the position;
- (d) for the appointment of a chairperson of the Board, the Committee should prepare a job specification, including the time commitment expected;
- (e) before appointment, require proposed appointees, including the chair, to disclose other significant commitments to the Board indicating the time involved;
- (f) ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings and the induction process;
- (g) ensure that all Directors offer themselves for annual re-election by shareholders in accordance with provision 18 of the Governance Code, having regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success, in the light of the knowledge, skills and experience required and the length of service of the Board as a whole and its membership being regularly refreshed; and
- (h) keep under review the number of external appointments held by each Director, consider setting any limits on such appointments that may be held by the chair of the Board and Non-Executive Directors and ensure that any new additional external appointments are approved in advance by the Board before being accepted.

9.5 **Induction and training**

The Committee shall:

- (a) ensure that all new Directors undertake an appropriate induction programme to ensure that they are fully informed about the Company's main areas of business activity, including those involving significant risk, and the strategic priorities and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a Director; and
- (b) consider any training requirements for the Board as a whole.

9.6 **Conflicts of interest**

The Committee shall:

- (a) before appointment of a Director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;

- (b) consider and, if appropriate, authorise situational conflicts of interest of Directors and potential Directors;
- (c) keep under review at least annually potential conflicts of interests of Directors disclosed to the Company and develop appropriate processes for managing such conflicts if the Committee considers this to be necessary;
- (d) take care to minimise the risk of any conflict of interest within the Committee that might be seen to give rise to an unacceptable influence; and
- (e) instruct the secretary of the Committee to ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

9.7 **Board evaluation**

The Committee shall:

- (a) assist the chairperson of the Board with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of balance of skills, experience, independence and knowledge of the Company, its diversity, how the Board works together as a unit, and other factors relevant to the Board's effectiveness;
- (b) review the results of the Board performance evaluation process that relate to the composition of the Board, its diversity and how effectively the members of the Board work together to achieve objectives;
- (c) ensure that evaluation of the Board is externally facilitated at least every three years;
- (d) review the results of the performance evaluation of the Committee; and
- (e) review annually the time required from Non-Executive Directors, including the chair and Senior Independent Director. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.

10. **REPORTING RESPONSIBILITIES**

- 10.1 The chairman of the Committee shall 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.
- 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 paragraph 10.3 above should include a statement on the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

11. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Rules and Transparency Rules and any other applicable rules, as appropriate; and
- (d) 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:

- (a) carry out all duties set out in these terms of reference, to have unrestricted access to the Group's documents and information and access to its employees;
- (b) obtain, at the Company's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary; and

have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

Updated and adopted at the board meeting of the Company held on 12 December 2019.