

## **THE CHARACTER GROUP PLC**

### **NOMINATIONS COMMITTEE OF THE BOARD OF DIRECTORS**

#### **TERMS OF REFERENCE**

##### **1. CONSTITUTION**

The Committee was constituted at a full meeting of the Board of directors (the "Board") held on 21 September 2018 in accordance with the articles of association of the Company.

##### **2. Membership**

2.1 The Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not less than two members. At the date of formation of the Committee, it has been agreed that the members of the committee will be Richard King, David Harris and Clive Crouch.

2.2 A quorum shall be two members.

2.3 The Chair of the Committee shall be the Chair of the Board.

##### **3. Attendance at meetings**

3.1 The Committee will meet at least once a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as otherwise requested.

3.2 Only members of the Committee have the right to attend Committee meetings but other directors and persons and external advisers may be invited to attend all or part of any meeting as and when appropriate.

3.3 The company secretary or his or her nominee shall be the secretary of the Committee.

##### **4. Voting arrangements**

4.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

4.3 Save where he has a personal interest, the Chair will have a casting vote.

##### **5. Notice of meetings**

5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and other attendees (as appropriate) at the same time.

## **6. Authority**

The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, professional advice on any matter within its terms of reference. 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. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

## **7. DUTIES AND TERMS OF REFERENCE**

7.1 The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- (b) 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 what skills and expertise are therefore needed on the Board in the future;
- (c) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (d) before appointment is made by the Board, evaluate the 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. In identifying suitable candidates the Committee shall:
  - (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds; and
  - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;

- (e) for the appointment of a chair, the committee should prepare a job specification, including the time commitment expected. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the chair's commitments should be reported to the Board as they arise;
- (f) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- (g) 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.
- (h) work and liaise as necessary with other Board committees.

7.2 The Committee shall also make recommendations to the Board concerning:

- (a) the re-election by shareholders of any director, having due regard to their performance and ability to continue to contribute to 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);
- (b) 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; and
- (c) the appointment of any director to executive or other office.

7.3 To consider such other matters as may be requested by the Board of directors.

## **8. REPORTING**

8.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted by the Company Secretary. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be submitted to the Board as a formal record of the decisions of the Committee on behalf of the Board unless it would be inappropriate to do so.

8.2 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

8.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8.4 The Committee shall produce a report to be included in the Company's annual report about its activities. The report should include a statement of its progress on achieving its objectives.

**9. GENERAL MATTERS**

9.1 The Chair of the Committee should make himself available at each annual general meeting of the Company to answer questions concerning the Committee's work.

9.2 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, 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.

9.3 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

21 September 2018