

## **THE CHARACTER GROUP PLC**

### **REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS**

#### **TERMS OF REFERENCE**

##### **1. Constitution**

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration Committee (the "**Committee**").
- 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.

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

- 2.1 The Committee shall be appointed by the Board solely from amongst the Independent Non-Executive Directors of the Company. A quorum shall be two members.
- 2.2 The Chair of the Committee shall be appointed by the Board.

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

- 3.1 No person (including any Director of the Company) shall participate in, or attend at, any meeting of the Committee (or during the relevant part) at which:
  - (a) any part of his or her remuneration or benefits is discussed; or
  - (b) any recommendation or decision is considered or made relating or affecting any part of his or her remuneration or benefits.
- 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 or required to attend all or part of any meeting as and when appropriate.
- 3.3 The Company Secretary, or his or her deputy, shall act as secretary to the Committee and provide all necessary support to the Committee, including recording of Committee minutes.

##### **4. Frequency of meetings**

Meetings shall be held as appropriate, but not less than 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.

##### **5. Voting arrangements**

- 5.1 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.
- 5.2 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.

5.3 Save where he/she has a personal interest, the Chair will have a casting vote.

## **6. NOTICE OF MEETINGS**

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

6.2 Unless otherwise agreed or where the circumstances do not allow, 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.

## **7. Authority**

7.1 The Committee is authorised by the Board to investigate any activity within its terms of reference.

7.2 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within its terms of reference if it considers this necessary.

7.3 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.

7.4 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.

## **8. Duties**

The duties of the Committee shall be:

8.1 to consider and determine the remuneration and benefits of the executive directors of the Company;

8.2 to consider and determine share incentive arrangements for executives and employees of the Company and its subsidiaries;

8.3 to consider other topics, as defined by the Board.

8.4 to report formally its recommendations and decisions to the Board.

8.5 to ensure its Chair is available at AGMs to answer questions.

## **9. Reporting procedures**

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

9.2 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 to all members of the Committee with the notice of and agenda and papers for the next meeting. 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.

- 9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.4 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.

## **10. General matters**

- 10.1 The Chair of the Committee should make himself/herself available at each annual general meeting of the Company to answer questions concerning the Committee's work.
- 10.2 Through, or as otherwise agreed with, the Chair of the Board, the Committee shall ensure that the Company maintains contact (as required or necessary) with the principal shareholders concerning remuneration and the Company's remuneration policy.
- 10.3 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.

Dated: 9 May 1995 (*revised 21 September 2018 and 25 November 2022*)