

## **ROLE AND RESPONSIBILITIES OF THE CHAIRMAN**

### **THE ROLE OF THE CHAIRMAN**

The role of the Chairman is to lead and manage the Board of Directors of the Company. The person will set clear expectations concerning the Company's culture, values and behaviours and the style and tone of Board discussions. In this capacity the incumbent will ensure that there is a forum for constructive discussion and challenge, as well as for an informed exchange of views. He will also create a framework and the conditions to enable the Board as a whole, and its individual Directors, to contribute effectively in the performance of their role.

### **RESPONSIBILITIES**

As Chair of the Board of Directors, the Chairman shall:

- Ensure that the Board addresses the matters that are of strategic and material importance to the future growth and success of the Company.
- Ensure that there is appropriate delegation of authority from the Board to executive management including adoption by the Board of a formal schedule of matters reserved to it for decision and setting out clearly and in writing the role and responsibilities of the Chief Executive.
- Establish a close relationship of trust with the Chief Executive and Finance Director (and any other Executive Directors), providing support and advice while respecting executive responsibility.
- Set the Board's agenda (primarily focused on strategy, performance, value creation and accountability) and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues.
- Ensure that the Board determines the nature and extent of the significant risks that the Company is willing to embrace in implementing its strategy.
- Encourage and foster active engagement by all members of the Board by promoting a culture of mutual respect and open communication between all Directors, ensuring that sufficient time is made available for Board matters to be fully discussed, that the viewpoints of all Directors are given adequate consideration and that any requests for clarification or additional information be met in full.
- Ensure that the Board receives accurate, timely and clear information that will enable it to conduct its business in an informed manner. The Chairman will ensure that the Board has access to information regarding market communications, financial performance of the businesses, shareholder, legal and operational issues.

- In the execution of the Board's duties, the Chairman will ensure the Board has effective decision-making processes and that a framework of Committees is established with defined powers of authority and appropriately resourced so as to effectively execute their responsibilities.
- Manage the Board to ensure sufficient time to be allowed for the discussion of complex or contentious issues, to include arranging informal meetings to enable thorough preparation for the Board discussion. The Chairman shall ensure that non-Executive Directors have sufficient time to consider critical issues and not be faced with unrealistic deadlines for decision-making.
- In liaison with the Company Secretary, take the lead in ensuring a properly constructed formal induction programme for all new Directors be provided, which shall be comprehensive and tailored to cover the key businesses and issues facing the Company.
- In close liaison with the Company Secretary, take a lead in identifying and meeting the training and developmental needs of individual Directors.
- The Chairman shall ensure that the Company provides the opportunity for Directors to update their skills, knowledge and capabilities to enable effective performance of the Board and its appropriate Committees. This will include the enhancement of the effectiveness of the Board as a team.
- Establish a process that enables the performance of its individual Directors, the Board as a whole and its Committees are evaluated at least once a year. The Chairman will also ensure that the outcomes of the process are implemented and acted upon.
- Consult the Senior Independent Director on Board matters in accordance with the UK Corporate Governance Code.
- With assistance from the Company Secretary, promote high standards of integrity, probity and corporate governance throughout the Company and particularly at Board level, seeking compliance with relevant and applicable corporate governance codes and ensuring the reasons for any non-compliance are understood, agreed by the Board and explained to shareholders.
- The Chairman shall be the Chairman of the Nomination Committee and shall lead the process for selecting Board appointments and making recommendations to the Board and for building an effective and complementary Board with an appropriate balance of skills and personalities.
- The Chairman shall be consulted about the proposals of the Remuneration Committee in relation to the remuneration of Executive Directors.
- Ensure effective communication with shareholders and ensure that the Board has a full understanding of the views of major shareholders.
- The Chairman shall chair all Board and general meetings of the Company.

## **ROLE AND DUTIES OF ALL DIRECTORS AND THE NON-EXECUTIVE CHAIRMAN GUIDANCE**

- 1.1** The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:
- (a)** provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b)** set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance; and
  - (c)** set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 1.2** As a non-executive Chairman you shall have the same general legal responsibilities to the Company as any other Director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 1.3** You shall exercise your powers in your role as a non-executive Chairman having regard to relevant obligations under prevailing law and regulation, including the Companies Act 2006, the UK Corporate Governance Code and associated guidance, the UK Listing Authority's Listing, Prospectus, and Disclosure and Transparency Rules.
- 1.4** You shall have particular regard to the general duties of Directors in Part 10 of the Companies Act 2006, including the duty to promote the success of the Company under which all Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a)** the likely consequences of any decision in the long term;
  - (b)** the interests of the Company's employees;
  - (c)** the need to foster the Company's business relationships with suppliers, customers and others;
  - (d)** the impact of the Company's operations on the community and the environment;
  - (e)** the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f)** the need to act fairly as between the members of the Company.
- 1.5** You shall have particular regard to the Financial Reporting Council's UK Corporate Governance Code and associated Guidance on Board Effectiveness in respect of the role of the Board and the role of the non-executive Director and Chairman.

- 1.6** In your role as a non-executive Director, you shall also be required to:
- (a)** constructively challenge and help develop proposals on strategy;
  - (b)** scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - (c)** satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
  - (d)** be responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
  - (e)** devote time to developing and refreshing your knowledge and skills;
  - (f)** uphold high standards of integrity and probity and support the Executive Directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
  - (g)** insist on receiving high-quality information sufficiently in advance of Board meetings;
  - (h)** take into account the views of shareholders and other stakeholders where appropriate;
  - (i)** make sufficient time available to discharge your responsibilities effectively;
  - (j)** exercise relevant powers under, and abide by, the Articles;
  - (k)** disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;
  - (l)** immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to the Company Secretary and/or the General Counsel;
  - (m)** exercise your powers as a Director in accordance with the Company's policies and procedures and internal control framework; and
  - (n)** not do anything that would cause you to be disqualified from acting as a Director.
- 1.7** Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.
- 1.8** You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your duties.

## **ROLE AND RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR**

### **1. Shareholders**

- The Senior Independent Director (SID) will be available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate.
- The SID will attend meetings with major shareholders and financial analysts, as the Board considers appropriate, to obtain a balanced understanding of the issues and concerns of such shareholders, or otherwise ensure they stay in tune with the views of major shareholders and financial analysts through other arrangements, as approved by the Board, such as through shareholder feedback reports from the Company's corporate brokers and research reports published about the Company.

### **2. Chairman**

- The SID will chair the Nomination Committee when it is considering succession to the role of Chairman of the Board.
- The SID will meet with the directors (without the Chairman present) at least once a year to lead the appraisal of the Chairman's performance and on such other occasions as are deemed appropriate.

## ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is accountable and reports to the Board and is responsible for managing the Group's businesses.

A. The Chief Executive Officer is responsible for the following matters, within the authority limits delegated to him by the Board:

### 1. Business Strategy and Management

- Developing Group objectives and strategy having regard to the Group's responsibilities to its shareholders, customers, employees and other stakeholders.
- The successful achievement of objectives and execution of strategy following presentation to, and approval by, the Board.
- Recommending to the Board annual operating and three year plans and ensuring their achievement following Board approval.
- Optimising as far as is reasonably possible the use and adequacy of the Group's resources.

### 2. Investment and Financing

- Examining all trade investments and major capital expenditure proposed by subsidiary companies and the recommendation to the Board of those which, in a Group context, are material either by nature or cost.
- Identifying and executing acquisitions and disposals, approving major proposals or bids.
- Leading geographic diversification initiatives, business development activities and new product development/product innovation programmes.
- Identifying and executing new business opportunities outside the current core activities.

### 3. Risk Management and Controls

- Managing the Group's risk profile, including the health and safety performance of the business, in line with the extent and categories of risk identified as acceptable by the Board.

- Implementing effective risk management systems in respect of strategic, operational, financial, hazard and compliance risks, including risk identification, assessment, mitigation and monitoring processes; keeping these under review and making recommendations to the Board for any changes; and ensuring business continuity plans are implemented, tested, reviewed and updated.
- Ensuring appropriate internal controls are in place.

#### 4. Board Committees

- Making recommendations to the Remuneration Committee on the Group's policy on executive remuneration, including on the structure and overall level of remuneration, as well as on key terms of employment, insofar as it affects members of the senior executive team.
- Making recommendations to the Nomination Committee on the role and capabilities required in respect of the appointment of executive directors.

#### 5. Communication

- Providing a means for timely and accurate disclosure of information, including an escalation route for issues.
- Ensuring effective communication with shareholders.

#### 6. Other

- Overall responsibility for: (i) setting all Group HR policies, including management development and succession planning for the senior executive team; (ii) approving the appointment and termination of employment of all members of the senior executive team (other than other executive directors), including determining total compensation packages and all other terms and conditions of employment; and (iii) fostering a culture of performance, responsibility, customer service and innovation throughout the Group.
- Overall responsibility for the development and implementation of a Group IT strategy to support the execution of business strategy and in line with agreed risk management and internal control systems.
- Overall responsibility for the role and performance of the Group's legal and compliance functions, including: (i) ensuring the implementation of Group policies and processes; (ii) setting standards and values in relation to business conduct and ethics, as well as for the compliance by all aspects of the business with applicable laws and regulations; and (iii) appropriate resource allocation within this key aspect of the business.
- Overall responsibility for managing the Group's activities in and responses to corporate responsibility requirements, including on employees, human rights, HSE performance, supply chain responsibilities and in relation to climate change matters (as relevant).

B. The duties which derive from these responsibilities include:

- Leading the executive directors and the senior executive team in the day to day management of the Group's business, including chairing any Executive Committee and communicating its decisions/recommendations on major issues affecting the business or performance to the Board.
- Ensuring effective implementation of Board decisions.
- Regularly reviewing the operational performance and strategic direction of the Group's businesses.
- Regularly reviewing the Group's organisational structure and recommending changes as appropriate.
- Formalising the roles and responsibilities of the senior executive team, including clear delegation of authorities.
- Supervising the activities of subsidiary companies' most senior executives.
- Developing senior teams within subsidiaries and ensuring succession planning.
- Developing the following policies for Board approval and then implementing them:
  - Code of business conduct and ethics
  - Health, safety and environment policy
  - Employment policies
  - Risk management policy
  - Investor relations and communications policy
  - Corporate social responsibility policy (including environmental, employee communications and employee disability)
  - Charitable donations policy.
- Ensuring that all Group policies and procedures are followed and conform to high standards.
- Together with the Chairman, providing coherent leadership of the Company, including, representing the Group to customers, suppliers, government, shareholders, financial institutions, employees, the media, the community and the public.
- Keeping the Chairman informed on all important matters.