



## Statement of the division of roles and responsibilities of:

- the Chairman
- the Group Chief Executive Officer (CEO)
- the Senior Independent Non-Executive Director (SID) and
- the Non-Executive Directors (NEDs)

### Introduction

- 1. Chairman:** The Chairman is primarily responsible for the overall operation, leadership and governance of the Board. The Chairman is responsible for setting the agenda and the tone and style of Board discussions, promoting a culture of openness and debate that supports effective decision-making, creating the conditions for overall Board and individual Director effectiveness, and ensuring the Directors receive information in an accurate, clear and timely manner. The Chairman will meet regularly with the CEO and other senior management to stay informed. The role and responsibilities of the Chairman are set out in more detail in Appendix A.
- 2. CEO:** The CEO is responsible for the day-to-day executive management of the Group's business, consistent with the strategy and commercial objectives agreed by the Board. They are responsible for ensuring that the strategy is effectively communicated and promoted within and outside the business and for building positive relationships with all the Group's stakeholders. The role and responsibilities of the CEO are set out in more detail in Appendix B.
- 3. Senior Independent Non-Executive Director (SID):** The SID supports the Chairman in the delivery of their responsibilities as required, and provides a sounding board for the Chairman, as well as acting as an intermediary for other Directors, if needed. The SID is also available to shareholders if they have concerns and contact through the normal channels of the Chairman, CEO or Group Finance Director has failed to resolve them or for when such contact is inappropriate. The SID holds meetings with the NEDs without the Chairman being present to review the Chairman's performance as part of the internal Board evaluation process and would, when appropriate, chair the Nominations Committee when considering succession to the role of Chairman of the Board.
- 4. Non-Executive Directors (NEDs):** The role of the NEDs includes constructive challenge and helping to develop proposals on strategy; to scrutinise the performance of management in meeting agreed goals and objectives; and to monitor the reporting of performance. They meet from time to time with the Chairman, without the Executive Directors being present, and meet with the SID without the Chairman being present to review the Chairman's performance.



## Appendix A – Role and responsibilities of the Chairman

### A. Key responsibilities:

The Chairman is responsible for:

#### 1. Meetings

- Chairing board and general meetings and those of the Nominations Committee.
- Managing the business of the Board and ensuring its effectiveness in all aspects of its role.
- Setting the Board agenda, taking into account the issues and concerns of all Board members. The agenda should be forward-looking, concentrating on strategic matters.
- Ensuring that there is appropriate delegation of authority from the Board to Executive management.
- Ensuring that the Directors receive accurate, timely and clear information, including that on the Company's current performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company.
- Managing Board meetings to allow enough time for discussion of complex or contentious issues. The Chairman should ensure that Directors (particularly NEDs) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and that they are not faced with unrealistic deadlines for decision-making.

#### 2. Directors

- Facilitating the effective contribution of NEDs and encouraging active engagement by all members of the Board.
- Fostering constructive relations between the Executive Directors and the NEDs.
- Holding meetings with the NEDs without the Executive Directors present, as recommended by the Corporate Governance Code.

#### 3. Induction, development and performance evaluation

- Ensuring that new Directors participate in a full, formal and tailored induction programme, facilitated by the Group General Counsel and Company Secretary.
- Ensuring that the development needs of Directors are identified and that those needs are met, with the Group General Counsel and Company Secretary having a key role. The Directors should be able to continually update their skills, and their knowledge of and familiarity with the Company and its Group required to fulfil their role on the Board and its Committees.
- Identifying the development needs of the Board as a whole to enhance its overall effectiveness as a team, with the Group General Counsel and Company Secretary having a key role.



- Ensuring the performance of the Board, its Committees and individual Directors is evaluated at least once a year, and acting on the results of such evaluation by recognising the strengths and addressing the weaknesses of the Board.
- Where appropriate, through the Nominations Committee, monitoring and refreshing the composition of the Board.

#### 4. Relations with shareholders

- Ensuring effective communication with all shareholders.
- Maintaining sufficient contact with major shareholders to understand their issues and concerns, in particular to discuss governance, strategy and remuneration with them.
- Ensuring that the views of shareholders are communicated to the Board as a whole so that all Directors develop an understanding of their views.

#### 5. Annual general meeting (AGM)

- Arranging for the chairs of Committees to be available to answer questions at the AGM and for all Directors to attend and meet shareholders.
- Ensuring, with the support of the Executive Directors and the Group General Counsel and Company Secretary, that the AGM is an effective occasion for showcasing the Company's achievements and communicating with shareholders.

## B. Additional responsibilities:

### In addition, the Chairman should:

- Uphold the highest standards of integrity and probity.
- Set the agenda, style and tone of Board discussions to promote effective decision-making and constructive debate.
- Ensure that Directors are fully informed about all issues on which the Board will have to make a decision, through briefings with the CEO, Group General Counsel and Company Secretary, and members of the Executive management (as appropriate).
- Ensure clear structure for, and the effective running of, the Board's Committees.
- Ensure prompt and effective implementation of Board decisions.
- Promote effective relationships and open communication between Executive Directors and NEDs, both inside and outside the Boardroom, ensuring an appropriate balance of skills and personalities.
- Build an effective and complementary and diverse Board, and with the Nominations Committee, initiate change and plan succession in Board appointments (except that of a successor as Chairman) subject to Board and shareholder approval.



- With the assistance of the Group General Counsel and Company Secretary, promote the highest standards of corporate governance, seeking compliance with the UK Corporate Governance Code. If full compliance is not possible, ensure that the reasons for non-compliance are fully understood, agreed by the Board and explained clearly too all stakeholders.
- Ensure an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers, suppliers, local communities and the environment).
- Ensure the long-term sustainability of the Company's business.
- Encourage continual improvement in the quality and calibre of the Executive Directors.
- Establish a close relationship of trust with the CEO and the Group Finance Director, providing support and advice, while respecting Executive accountability and responsibility.
- Provide coherent leadership of the Company, including, in conjunction with the CEO, representing the Company to customers, suppliers, governments, shareholders, financial institutions, the media and the public.

The CEO reports directly to the Chairman. The Group General Counsel and Company Secretary reports to the CEO, but with a dotted line to the Chairman with respect to the Company Secretary element of the role.

## Appendix B - Role and responsibilities of the CEO

**The CEO reports to the Chairman, is accountable to the Board, and is responsible for the day-to-day Executive management of running the Group's business.**

### A. Key responsibilities:

The CEO is responsible for the following, subject to the authority limits delegated to him by the Board pursuant to the "Matters Reserved for 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 Group strategy following presentation to, and approval by, the Board.
- Recommending to the Board an annual budget and 5-year financial plan and ensuring their achievement following Board approval.
- Optimising as far as is reasonably practicable 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 proposals which require Board approval.
- Identifying and executing acquisitions and disposals, approving major proposals or bids.
- Leading geographic diversification initiatives.
- 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 Group, in line with the extent and categories of risk identified as acceptable by the Board.
- Ensuring appropriate internal controls are in place.

## 4. Board Committees

- Making recommendations on remuneration policy, Executive remuneration and terms of employment of the senior management team to the Remuneration Committee.
- Making recommendations to the Nominations Committee on the attributes, capabilities and skill sets required of candidates for appointment as Executive Directors.

## 5. Communication

- Providing a means for timely and accurate disclosure of information, including an escalation route for significant issues which need to be notified to the Board.
- Ensuring effective communication with shareholders to customers, suppliers, governments, financial institutions, the media, and the public.

## 6. Other

- Setting Group HR policies, including diversity, management development and succession planning for the senior management team, and approving the appointment and termination of employment of members of that team.



## B. Additional responsibilities:

### The duties which derive from these responsibilities include:

- Leading the Executive Directors and the senior management team in the day-to-day running of the Group's business, including chairing the Executive Committee, Risk Committee and Sustainability Committee, and communicating their decisions/recommendations to the Board.
- Ensuring effective and prompt implementation of Board decisions.
- Regularly reviewing the operational performance and strategic direction of the Group's business.
- Regularly reviewing the Group's organisational structure and recommending changes to the Board as appropriate.
- Formalising the roles and responsibilities of the senior management team, including clear sub-delegation of authorities.
- Supervising the activities of subsidiary companies' senior leadership teams.
- Developing senior leadership teams within subsidiary companies, and ensuring effective succession planning.
- Developing policies for Board approval and then implementing them, in the areas of business ethics, cyber security, data protection, diversity and inclusion, protection of intellectual property and vulnerable assets, share dealing, health and safety, communications, investor relations, corporate social responsibility (CSR), charitable donations.
- Ensuring that all Group policies and procedures are cascaded down through the Group and adhered to and respected by all employees.
- Together with the Chairman, providing coherent leadership of the Company, including representing the Group to customers, suppliers, governments, shareholders, financial institutions, employees, the media, and the public.
- Keeping the Chairman regularly informed on all important matters.