

## Division of Responsibilities

### CHAIR

The Chair is responsible for the leadership of the board and for the creation of the conditions necessary for overall board and individual director effectiveness.

The Chair is expected to be independent on appointment and is expected to remain independent.

The Chair is required to demonstrate objective judgment through their tenure and promote a culture of openness, constructive debate and effective contributions from individual directors.

The Chair is required to promote and oversee the highest standards of corporate governance within the board and the group.

The Chair is required to lead discussions on all proposals put forward by the executive team.

The Chair chairs the General Meetings including agreeing an agenda for the board which is:

- focused on strategic matters;
- forward looking;
- evaluates and oversees current business.

The Chair is required to maintain a proper process to ensure compliance with board policy on matters reserved to the board for consideration to ensure it discharges its role effectively.

The Chair is required to ensure that board members receive accurate, timely and clear information to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company.

The Chair is required to manage board meetings so that sufficient time is allowed for the discussion of complex or contentious issues and that all members' contributions are valued and active engagement by all members is encouraged.

The Chair is required to ensure a clear structure for, and effective running of, committees of the board and is required to serve on or attend committees of the board and chair the

Nomination Committee (with the exception of the Audit & Risk Committee).

The Chair is required to lead, with the support of the Nomination Committee, effective board succession planning and the search for and appointment of new directors, taking account of the need for the development of board competencies, experience and diversity and keeping in mind an effective and balanced team. However the chair does not chair the committee when it is dealing with the appointment of their successor.

The Chair is required to create the conditions for overall board and individual director effectiveness including promotion of an appropriate induction programme for new directors, creating the opportunity for maintenance of the relevant skills and knowledge required to fulfil the director role on the board and its committees and ensuring the board undertakes an annual evaluation of its own performance, that of its committees and that of individual directors, including the Chair. The Chair should act on the results of any evaluations by recognising the strengths and addressing any weaknesses of the board.

The Chair is required to take the lead in identifying and meeting the development needs of individual directors and to address the development needs of the board as a whole with a view to enhancing its overall effectiveness as a team.

The Chair is required to be a sounding board to the CEO and support and constructively challenge the CEO.

The Chair facilitates effective contributions of non-executive directors, ensures constructive board relations and fosters effective relationships between executive and non-executive board members.

The Chair is required to ensure the board is aware of the views of and maintains effective communications with shareholders and takes account of the interests of all stakeholders.

In addition to formal general meetings, the Chair will always be available for engagement with major shareholders should they wish to share their views on governance and performance against the strategy. Committee chairs will also be available for engagement with shareholders on significant matters related to their areas of responsibility. The CEO, the CFO and the Chair will ensure that the board as a whole has a clear understanding of the views of shareholders.

The Chair holds meetings with the non-executive directors without the executive directors present.

#### **CHIEF EXECUTIVE OFFICER ("CEO")**

The CEO is responsible for the day to day executive management of the business, in line with the strategy and long-term objectives approved by the board and subject to the limits of authority established by the board. Those matters reserved for the board or specifically delegated by the board to its committees, or subsidiary company boards (as set out in the relevant terms of reference applicable from time to time), will be dealt with accordingly.

The CEO leads and manages the business on behalf of the board with appropriate delegated authorities, risk management systems and internal controls in place.

The CEO formulates and proposes to the board the strategic direction of the Group as well as particular divisional and business strategies and initiatives and tactics for achieving them, having regard to the Company's responsibilities to its shareholders, customers, employees and other stakeholders. The CEO is responsible for implementing the strategy and objectives agreed by the board and reporting to the board on progress in delivering strategic objectives.

The CEO builds and maintains an effective management team, workforce and appropriate organisational structures. The CEO develops, communicates and embeds within the business a shared purpose and appropriate set of business values. The senior management team, some of whom report directly to the CEO, are responsible for appraising the performance of each member of their team(s), encouraging their development and further training, where necessary replacing them, recruiting replacements, whether internally or externally, and formulating remuneration proposals for remuneration committee decision making.

The CEO provides clear leadership in responsible business conduct across all areas of the Company's business. The CEO is responsible for promoting and conducting the affairs of the Company with the highest standards of integrity and probity.

The CEO ensures that the Company has in place procedures to comply with all relevant legislation and regulations, including timely disclosure of information in accordance with regulatory requirements.

The CEO represents the Company and furthers its best interests with all external audiences in the UK. The CEO takes lead responsibility for the maintenance and development of the Company's reputation and relationships with the business community, investors and analysts, the media, regulators, suppliers, customers, and other stakeholders.

The CEO develops an effective relationship with the Chair and keeps the Chair informed of all important matters and leverages the knowledge and experience of non-executive board members.

The CEO maintains an effective dialogue with shareholders on the Company's strategy and performance.

Certain business decisions and activities which are not specifically reserved for the board or its committees are within the responsibility of the CEO – such decisions include:

- Changes to the Company's control structure below board level;
- Approval of adoption of Group Contract Management Policy;
- Approval of contracts incurring a total commitment or liability: below £500,000;
- Approval of the Delegated Authority Chart;
- Approval of all policies except: Whistleblowing policy; Anti-Bribery & Corruption Policy; Risk Management Framework;
- Pursuit, settlement or defence of litigation, except for matters where the amount in dispute is less than £500,000 or which involve criminal liability or any regulator of any group company.

### SENIOR INDEPENDENT DIRECTOR ("SID")

The SID is appointed by the board to provide a sounding board for the Chair and to serve as an intermediary for the other directors and shareholders. The SID is expected to promote effective relationships and open communication between executive and non-executive directors, contribute to good relationships and functions of the board in normal times, but assist in periods of stress in facilitating the resolution of any situation.

The SID is and remains independent throughout the tenure in both character and judgement and is free from any connections which may lead to a conflict of interest. The SID is expected to promote and uphold the highest standards of corporate governance, integrity and probity.

The SID has the same general legal responsibilities to the Company as any other director.

At least once a year and on other occasions as necessary, the non-executive directors, led by the SID meet without the Chair present such as to undertake the annual performance evaluation of the Chair before the SID provides feedback to the Chair.

The SID gains an overview of the work of the board, including through serving on and attending board committees.

The SID provides advice to the Chair on board matters, including board development and succession issues as appropriate.

The SID chairs the Nomination Committee when it is considering succession to the role of Chair of the board.

The SID takes the initiative in discussion with the Chair or other board members if the board does not appear to be functioning effectively to ensure that non-executive directors challenge and contribute effectively.

The SID attends sufficient meetings with major shareholders to obtain a balanced understanding of any issues and concerns.

The SID is available to shareholders if they have any concerns regarding the Chair, CEO or CFO or relationships between these parties which contact through the normal channels of the CEO and Chair has failed to resolve or is inappropriate.

In the event of any disagreement or dispute between the Chair and CEO, the SID can intervene to identify issues and attempt to mediate and build a consensus.