



## **Roles and responsibilities of the Chairman, the Chief Executive and the Senior Independent Director**

**(This is the formal statement of the respective roles of the Chairman, Chief Executive and Senior Independent Director of the Company as approved by the Board on 22 March 2012).**

The particular roles of the Chairman and Chief Executive Officer are described more fully below, the Chairman being responsible for managing the business of the Board and the Chief Executive for running the business of the Group. They must ensure that they keep each other appropriately informed of their current activities and of any concerns each may have. They need to work, and be seen to work, as a team with a relationship based on mutual respect and trust. They must be frank and open with each other to ensure that any problems or potential problems can be properly and openly addressed.

The **Chairman** is responsible for the leadership of the Board and creating the conditions for overall effectiveness of the Board (in all aspects of its role) and facilitating and encouraging the contribution of individual directors in this. The Chairman is specifically responsible for:

- ensuring that the Board comprises individuals with an appropriate balance of skills, experience and knowledge;
- regularly considering succession planning and the composition of the Board;
- with the Chief Executive, demonstrating ethical leadership, promoting and upholding the highest standards of corporate governance, integrity and probity by the Company, setting clear expectations concerning the Company's culture, values and behaviours;
- setting the Board agenda, with primary focus on strategy, performance, value creation and accountability, and ensuring that major issues relevant to these areas are reserved for Board decision;
- ensuring, with the Chief Executive and the Finance Director, a timely flow to the Board of high-quality supporting information;
- ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- ensuring that the Board determines the nature, and extent, of the significant risks the Company is willing to embrace in the implementation of its strategy, and that there are no 'no go' areas which prevent directors from operating effective oversight in this area;
- setting the style and tone of Board discussions and promoting a culture of openness and debate amongst Board members, in particular by facilitating the effective contribution of non-executive directors and fostering relationships between the non-executive directors and the executive team;
- developing productive working relationships with all executive directors, and the Chief Executive in particular, providing support and advice while respecting executive responsibility;

- ensuring the Board's committees are properly structured with appropriate terms of reference;
- consulting the senior independent director on Board matters in accordance with the Governance Code;
- taking the lead on issues of director development, including through induction programmes for new directors and regular reviews with all directors;
- leading an annual evaluation of the performance of the Board committees and of individual directors and acting on the results of that evaluation;
- ensuring effective communication with shareholders and other stakeholders and, in particular, that all directors are made aware of the views of those who provide the Company's capital; and
- the performance of such other duties as may from time to time be assigned or delegated to the Chairman by the Board.

The **Chief Executive** is responsible for:

- overseeing the day-to-day operation and management of the Group's businesses and affairs;
- with the support of other executive directors, demonstrating and communicating to the Group's employees the expectations of the Board as to the Company's ethical culture, values and behaviours, promoting and upholding the highest standards of corporate governance, integrity and probity;
- providing, or ensuring the provision of, regular reports to the Board on the operation of the Group's businesses and of reports of significant matters and developments affecting the Group;
- maintaining a regular dialogue with major shareholders and the analyst community;
- formulating proposals to the Board for the strategic development of the Group;
- the implementation of Group strategy as approved by the Board;
- formulating annual budgets for Board approval;
- overseeing the application of Group policies and governance procedures, including its policies as regards health and safety and environmental matters;
- ensuring necessary management skills and resources are available to the Group, including succession planning (for approval by the Board or Nominations Committee where applicable); and
- the performance of such other duties as may from time to time be assigned or delegated to the CEO by the Board.

The **Senior Independent Director's** role is to:

- act as a sounding Board for the Chairman, providing support in the delivery of his or her objectives and to act as intermediary for the other directors if necessary;
- be available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Group Finance Director has failed to resolve or where that contact would not be appropriate;
- develop a balanced understanding of the issues and concerns of major shareholders;
- be ready to take responsibility for an orderly succession of Chairman if needed; and
- be ready to intervene and work with the Chairman and other directors and/or shareholders as appropriate in order to maintain Board and Company stability should circumstances arise that give rise to stresses in the proper functioning of the Board; for example if:
  - there is a dispute between the Chairman and the Chief Executive;
  - shareholders or non-executive directors have expressed concerns that are not being addressed by the Chairman or the Chief Executive;
  - the strategy being followed by the Chairman and the Chief Executive does not have the support of the entire Board;
  - decisions are being made by the Chairman and the Chief Executive without the required approval of the full Board; or
  - succession planning is not being addressed.

The **Senior Independent Director:**

- has authority to call a meeting of non-executive directors if, in his or her opinion, it is necessary or desirable to do so;
- should annually lead a meeting of the non-executive directors without the Chairman present to appraise the Chairman's performance (taking into account also the views of the executive directors).