

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. ROLE OF CHAIR

1.1. The Chair is accountable to the board of directors (the "Board"). The Chair is not responsible for executive matters regarding the Company's business. Other than the Chief Executive and (in respect of the limited matters set out herein and other matters directly relating to the Board) the Company Secretary, no executive reports to them other than through the Board.

1.2. The Chair is responsible for:

1.2.1. Key responsibilities:

- a) Setting the style and tone of Board discussions and creating the overall conditions for Board and director effectiveness;
- b) Ensuring that the Board as a whole is enabled to play a full and constructive part in the development and determination of the Company's strategy and overall commercial objectives; and
- c) Ensuring that the development of the Company's business and the protection of the reputation of the Company receives sufficient attention from the Board.

1.2.2. Meetings:

- a) Ensuring that the Board's agenda takes full account of the important issues facing the Company, the concerns of all Board members and that it primarily focuses on strategy, performance, value creation, accountability, sustainability and good governance and that issues relevant to those areas are reserved for Board decision;
- b) Ensuring that members of the Board receive accurate, timely and clear information on the Company's performance; the issues, challenges and opportunities facing the Company; and in relation to matters which are reserved to it for decision;
- c) Ensuring that the Board determines the nature, and extent, of the significant risks the Company is willing to take to achieve its strategic objectives; and
- d) Arranging, where appropriate, such informal meetings involving directors, including between non-executive directors, as may be required to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.

1.2.3. Induction, development and performance evaluation:

- a) Ensuring that new directors participate in a full, formal and tailored induction programme, facilitated by the Company Secretary;
- b) Taking the lead in identifying and seeking to meet the development needs both of individual directors and of the Board as a whole, facilitated by the Company Secretary who reports to the Chair as well as the Chief Executive in this regard; and
- c) Ensuring that the performance of the Board as a whole, each of its Committees, and each individual Director as regards their Board and/or Committee role(s), is formally and rigorously evaluated at least once a year.

1.2.4. Relations with shareholders:

- a) Ensuring that there is effective and appropriate communication of financial and other information by the Company to its shareholders, by the Chief Executive and other executive management, and, when necessary by themselves and/or by the non-executive directors of the Board; and
- b) Ensuring that all members of the Board develop an understanding of the views of the major investors in the Company and that there is an open dialogue with shareholders.

1.2.5. Annual General Meeting:

- a) Arranging for the Chairs of the Board's Committees to be available to answer questions at the Annual General Meeting and for all directors to attend.

1.2.6. Strategy

- a) Ensure the Company has an effective vision, strategy, purpose and set of values, which are aligned, and which ensure the long-term sustainability of the business.
- b) With the Board, constructively challenge and monitor the implementation of strategy.

1.2.7. Other responsibilities:

In addition, the Chair should:

- a) Demonstrate ethical leadership and promote a culture of openness and debate;

- b) Promote the highest standards of integrity, probity and corporate governance throughout the Company and specifically at Board level;
- c) Ensure, with the advice of the Company Secretary where appropriate, that the Board's approved procedures, including the Matters Reserved to the Board for its decision and each Committee's Terms of Reference, are appropriate and are complied with;
- d) Ensure that succession planning and the composition of the Board are regularly reviewed; and
- e) Propose, in conjunction with the Nomination Committee, the membership of the Board's Committees and their Chairs.

2. ROLE OF NON-EXECUTIVE DIRECTOR

The main roles and responsibilities of a non-executive director under the Governance Code are set out below.

2.1. Leadership

Non-executive directors should constructively challenge and help develop proposals on strategy including:

- a) Scrutinising the performance of management in meeting agreed goals and objectives;
- b) Monitoring the reporting of performance;
- c) Satisfying themselves on the integrity of financial information;
- d) Ensuring financial controls and systems of risk management are robust and defensible;
- e) Determining appropriate levels of remuneration of executive directors; and
- f) Playing a primary role in appointing and where necessary, removing executive directors and succession planning.

2.1.2. Non-executive directors should have meetings without the executive directors and should meet without the Chair present at least annually (and on other occasions deemed appropriate) to appraise the Chair's performance.

2.1.3. Non-executive directors should ensure that any concerns about the running of the company or course of proposed action are recorded in the Company's board minutes and, if necessary

following resignation, should provide a written statement to the Chair for circulation to the Board.

2.2. Effectiveness

To ensure that non-executive directors perform their role effectively:

- a) Non-executive directors should allocate sufficient time to the company to discharge their responsibilities effectively and undertake that they will have sufficient time to meet what is expected of them;
- b) Non-executive directors should disclose other significant commitments to the Board before appointment (with a broad indication of the time involved) and should inform the board of any subsequent changes;
- c) All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge;
- d) There should be an annual evaluation of all directors, including non-executive directors; and
- e) Non-executive directors, led by the Senior Independent Director, should be responsible for performance evaluation of the Chair, taking into account the views of executive directors.

2.3. Relations with shareholders

Non-executive directors should expect to attend meetings if requested by major shareholders for the purposes of discussing governance and strategy.

3. ROLE OF SENIOR INDEPENDENT DIRECTOR

3.1. The Senior Independent Director will:

3.1.1. Relations with shareholders:

- a) Be available to the Company's shareholders as an alternative point of contact for if shareholders have concerns which contact through the normal channels of the Chair, the Chief Executive or other executive directors have failed to resolve or for which such contact is inappropriate;
- b) Support the Chair, if needed, in ensuring the Board are aware of the views of major shareholders; and

- c) Attend sufficient meetings with major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders.

3.1.2. Relations with the Board Chair:

- a) Act as a sounding board for the Chair of the Board, providing support for them in the delivery of their objectives;
- b) In certain circumstances, work with the Chair and other directors and shareholders (as necessary) to resolve any significant issues;
- c) Where a disagreement or dispute between the Chair and Chief Executive Officer arises, intervene and mediate to attempt to build a consensus; and
- d) Meet with the non-executive directors at least once a year to appraise the Chairman's performance and on such other occasions as are deemed appropriate.

3.2. Additional guidance on responsibilities of the senior independent director has is also provided in the UK Corporate Governance Code of which a summary is provided in Appendix A.

4. ROLE OF DESIGNATED NON-EXECUTIVE DIRECTOR

4.1. The DNED will hold Employee Forums or other methods of engagement with the workforce. The number of workforce engagements each year will be agreed with the Board.

4.2. As DNED, you will be expected to:

- a) bring the views and experiences of the workforce into the boardroom;
- b) work with the Board, as a whole, and particularly the executive directors, to take appropriate steps to evaluate the impacts of Board proposals and developments on the workforce, particularly on steps which may be needed to mitigate any adverse impact;
- c) challenge the executive directors as needed as to the way in which workforce engagement is undertaken and steps to be taken to address workforce concerns arising out of business-as-usual activities; and
- d) feedback to the Employee Forums etc on steps taken to address their concerns or explain why particular steps have not been taken.

4.3. Through your workforce engagement, you should identify any areas of concern in the workforce and discuss these with the Board.

4.4. Additional guidance on workforce engagement has is also provided in the UK Corporate Governance Code of which a summary is provided in Appendix B.

Approved by the Board of Directors on 21 October 2021.

Appendix A

SUMMARY OF PROVISIONS IN THE 2018 UK CORPORATE GOVERNANCE CODE AND ASSOCIATED GUIDANCE IN RESPECT OF THE RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR

Code Paragraph	
12	The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director, the non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary.
14	The responsibilities of the chair, chief executive, senior independent director, board and committees should be clear, set out in writing, agreed by the board and made publicly available. The annual report should set out the number of meetings of the board and its committees, and the individual attendance by directors.
Guidance Paragraph	
35	The chair has an important role in fostering constructive relations with major shareholders and in conveying their views to the board as a whole. When called upon, the senior independent director should seek to meet a sufficient range of major shareholders in order to develop a balanced understanding of their views. Non-executive directors should take opportunities such as attendance at general and other meetings, to understand the concerns of shareholders.
66	The senior independent director should act as a sounding board for the chair, providing them with support in the delivery of their objectives and leading the evaluation of the chair on behalf of the other directors. The senior independent director might also take responsibility for an orderly succession process for the chair, working closely with the nomination committee. It is a good idea for the senior independent director to serve on committees of the board to improve their knowledge of company governance.
67	The senior independent director should also be available to shareholders if they have concerns that contact through the normal channels of chair, chief executive or other executive directors has failed to resolve or for which such contact is inappropriate.
68	<p>When the board or company is undergoing a period of stress, the senior independent director's role becomes critically important. They are expected to work with the chair and other directors, and / or shareholders, to resolve significant issues. Boards should ensure they have a clear understanding of when the senior independent director might intervene in order to maintain board and company stability. Examples might include where:</p> <ul style="list-style-type: none"> • there is a dispute between the chair and chief executive; • shareholders or non-executive directors have expressed • concerns that are not being addressed by the chair or chief • executive; • the strategy is not supported by the entire board; • the relationship between the chair and chief executive is • particularly close; • decisions are being made without the approval of the full board; • succession planning is being ignored. <p>These issues should be considered when defining the role of the senior independent director.</p>

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Like induction and board development, evaluation should be bespoke in its formulation and delivery. The chair has overall responsibility for the process, and should select an effective approach, involving the senior independent director as appropriate. The senior independent director should lead the process that evaluates the performance of the chair and, in certain circumstances, may lead the entire evaluation process.

Appendix B

SUMMARY OF PROVISIONS IN THE 2018 UK CORPORATE GOVERNANCE CODE AND ASSOCIATED GUIDANCE IN RESPECT OF STAKEHOLDER ENGAGEMENT

Code Reference	
Principle E	The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.
Provision 5	<p>The board should understand the views of the company's other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective. For engagement with the workforce, one or a combination of the following methods should be used:</p> <ul style="list-style-type: none"> • a director appointed from the workforce; • a formal workforce advisory panel; • a designated non-executive director. <p>If the board has not chosen one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective.</p>
Provision 6	There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously. The board should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.
Guidance Paragraph	
23	Monitoring culture will involve regular analysis and interpretation of evidence and information gathered from a range of sources. Drawing insight from multiple quantitative and qualitative sources helps guard against forming views based on incomplete or limited information. The workforce will be a vital source of insight into the culture of the company.
34	An effective board will appreciate the importance of dialogue with shareholders, the workforce and other key stakeholders, be proactive in ensuring that such dialogue takes place and that the feedback is taken into account in the board's decision-making. How the board approaches this will provide useful insight into the company's culture.
41	An effective board understands that a company has to engage with its workforce and build and maintain relationships with suppliers, customers and others in order to be successful over the long-term. It will be able to explain how those relationships contribute to that success and help deliver the company's purpose. The company's approach to stakeholder engagement will be an important topic in the induction programme for new directors.

<p>42</p>	<p>Dialogue with stakeholders can help boards to understand significant changes in the landscape, predict future developments and trends, and re-align strategy. Boards will find it useful to start by identifying and prioritising those key stakeholders who are important in the context of their business. This is likely to include the workforce, customers and suppliers. It may also include other stakeholders who are specific to the company's circumstances, such as regulators, government, bondholders, banks and other creditors, trade unions and community groups.</p>
<p>50</p>	<p>Communication between the workforce and the company is often referred to as the 'employee voice'. Communication and engagement will involve those with formal contracts of employment (permanent, fixed-term and zero-hours) and other members of the workforce who are affected by the decisions of the board. For example, companies should consider including individuals engaged under contracts of service, agency workers, and remote workers, regardless of their geographical location. Companies should be able to explain who they have included and why. Different sections of the workforce may have different interests and priorities and a combination of engagement methods may be necessary to ensure that a wide selection of views can be gathered.</p>
<p>51</p>	<p>Engagement through a range of formal and informal channels helps the workforce to share ideas and concerns with senior management and the board. It provides useful feedback about business practices from those delivering them, and can help empower colleagues.</p>
<p>52</p>	<p>With the aim of strengthening the 'employee voice' in the boardroom, the Code asks boards to establish a method for gathering the views of the workforce.</p>
<p>55</p>	<p>Boards may feel it would be most effective to adopt a combination of methods or multiple channels for engagement at different levels and may want to develop other ways of engaging if they believe these would be effective. Provided the board's approach delivers meaningful, regular dialogue with the workforce and is explained effectively; the Code provision will be met.</p>
<p>56</p>	<p>Non-executive directors and, in particular, the chair should consider ways of reaching out to increase their visibility with the workforce and gain insights into the culture and concerns at different levels of the business. This is likely to involve spending more time in the business.</p>
<p>58</p>	<p>Companies need to create an environment in which the workforce feels it is safe to raise concerns. Common fears include being negatively labelled, sidelined for promotion or bonuses, and even loss of employment. Leaders need to ensure there are no negative repercussions as a result of doing so.</p>