



Terms of reference for the Chair
(*Reviewed 17 January 2020*)

1. Leadership of the Board

- 1.1 The Chair is responsible for the leadership of the Board and for its overall effectiveness in directing the Company.
- 1.2 The Chair should demonstrate objective judgement, ethical leadership and promote the highest standards of integrity, probity and good corporate governance.
- 1.3 The Chair should ensure that the Board assesses and monitors the Company's culture, and that the values and behaviours are aligned with this.
- 1.4 The Chair should promote a culture of mutual respect, openness and debate, facilitating constructive board relations and the effective contribution of all Directors, in particular Non-Executive Directors.
- 1.5 The Chair should ensure that Directors receive timely, accurate and clear information in relation to the affairs of the Company and the Group.
- 1.6 The Chair should hold periodic meetings with the Non-Executive Directors without the presence of Executive Directors.
- 1.7 The Chair should consult the Senior Independent Director on Board matters where appropriate.

2. Conduct and duties.

- 2.1 The Chair should, on appointment, be independent.
- 2.2 In performing his or her duties, the Chair should have regard to relevant obligations under prevailing law and regulation, with 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, the Non-Executive Directors and the Chair.
- 2.3 The Chair should ensure that he or she is fully informed about all issues to be discussed by the Board through meetings and/or briefings with the Chief Executive, the Company Secretary and/or other members of executive management as appropriate

- 2.4 The Chair should establish a productive working relationship with the Chief Executive, the Company Secretary, other Executive Directors and executive management as appropriate, based on trust and openness, and provide constructive advice and support while respecting executive responsibility.
- 2.5 The Chair is expected to be available in the event of a crisis, and to make available sufficient time for the performance of his or her duties. Any significant commitments should be disclosed to the Board and reported in the Annual Report. Changes to such commitments should be reported to the Board as they arise.

3. Meetings

- 3.1 The Chair is responsible for chairing Board and general meetings of the Company. The Chair is expected to chair the Nomination Committee except when it is considering the appointment of the Chair's successor.
- 3.2 The Chair should set the Board agenda, taking account of the concerns of all members of the Board, and ensuring that the Board focuses on the long term sustainable success of the Company, generating value for shareholders and contributing to wider society.
- 3.3 The Chair has responsibility for ensuring that meetings are held with sufficient regularity and frequency to enable the Board to operate effectively, and to allow Directors sufficient time to consider critical issues while avoiding unrealistic deadlines.
- 3.4 The Chair has responsibility for overseeing the effective implementation of Board and Committee decisions.

4. Evaluation and Development

- 4.1 The Chair should ensure there are succession plans to replenish and enhance Board skills and is expected to take the lead in initiating change and planning for succession. The Chair should seek to build an effective board and ensure that it includes an appropriate combination of executive and non-executive directors such that no one individual or small group of individuals dominates the Board's decision-making.
- 4.2 The Chair should ensure that all new Directors receive a full, formal and tailored induction on joining the Board.
- 4.3 The Chair should regularly review and agree with Directors their training and development needs, and ensure that these needs are met.
- 4.4 The Chair should ensure that the performance of the Board, its Committees and individual Directors is evaluated at least annually. The Chair must act on the results of board evaluation by recognising the

strengths and addressing the weaknesses of the Board, and where appropriate proposing new members of the Board or seeking the resignation of Directors.

5. Effective communication with shareholders.

- 5.1 The Chair should ensure the Company maintains contact as required with its principal shareholders about remuneration.
- 5.2 The Chair should ensure that the Board has a clear understanding of the views of shareholders and the other key stakeholders of the Company, and that it keeps engagement mechanisms under review so that they remain effective.
- 5.3 The Chair should seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy.