

# Director Roles and Responsibilities

## The Chair

The role of the Chair is to lead the Board and ensure that it functions effectively.

The Chair is pivotal in creating the conditions for overall Board and individual director effectiveness, setting clear expectations on the style and tone of Board discussions, ensuring the Board has in place effective decision-making processes and that it is equipped to apply effective challenge to management.

The specific responsibilities of the Chair include to:

- Set the agenda for the Board and promote a culture of openness, effective decision-making and constructive debate at Board meetings.
- Ensure that the Board operates effectively in discharge of its responsibility to set the Group's strategic direction and to oversee execution of the strategy.
- Promote the highest standards of corporate governance within the Group.
- Ensure that the members of the Board receive accurate, timely and clear information on the Group and its activities.
- Ensure that a comprehensive induction programme is in place for new Directors, facilitated by the Company Secretary.
- Take the lead, with the Company Secretary's assistance, in agreeing training and development needs for individual Directors.
- Address the succession and development needs of the Board with a view to enhancing its overall effectiveness, in terms of its collective skills, experience and diversity.
- Meet with Non-Executive Directors on a regular basis without the executives present.
- Ensure that the performance of individual Executive and Non-Executive Directors and of the Board as a whole, and its Committees, is evaluated at least once a year and that the results of the evaluations are acted upon.
- Encourage and foster relationships based on trust, mutual respect and open communication – both in and outside of the boardroom – between Non-Executive Directors, the wider the executive team and the Chief Executive Officer, while respecting the responsibility of the Group Chief Executive Officer to manage the Group.
- Act as the Board's principal spokesperson and chair General Meetings of members.

- In conjunction with the Group Chief Executive Officer, where appropriate, represent the Group to external stakeholders including members, customers, suppliers, regulatory and governmental authorities and the community.

## **The Group Chief Executive Officer**

The role of the Group Chief Executive Officer is to manage the Group's business on a day-to-day basis, with accountability to the Board for the Company's strategic, financial and operational performance. In fulfilling this role, the Group Chief Executive Officer acts within the authority delegated by the Board.

Specific responsibilities include:

- Leading the Group, through the senior management team, in the day-to-day running of the Group's businesses.
- Developing and executing the Group's overall strategy, in line with objectives and policies agreed by the Board.
- Developing appropriate capital, corporate and management structures to ensure that the Group's objectives can be met.
- Monitoring the operational performance and strategic direction of the Group.
- Managing the Group's internal control framework, including approving management and control policies.
- Reporting regularly to the Board with appropriate and timely information so that the Board can discharge its responsibilities effectively.
- In conjunction with the Chair, where appropriate, representing the Group to external stakeholders, including members, customers, suppliers, regulatory and governmental authorities and the community.

## **The Senior Independent Director (SID)**

The SID is an independent Non-Executive Director who:

- Acts as a sounding board for the Chair, providing them with support in the delivery of their objectives.
- At least annually, leads an evaluation of the Chair on behalf of the Board, provides feedback from that evaluation to the Chair, and monitors actions from this.
- On behalf of the Board, leads the succession process for the Chair, working closely with the Nominations and Governance Committee.

- Is available as a trusted intermediary to members and other Directors, in particular where members may have concerns that cannot be resolved through the normal channels of engagement with Chair or Group Chief Executive Officer.
- Has the power to call meetings of the Non-Executive Directors.

## Directors

All Directors have a collective responsibility, amongst other matters, to:

- Provide entrepreneurial leadership of the Group within a framework of effective controls which enable risk (both financial and non-financial) to be properly assessed and managed.
- Set the Group's strategic direction and oversee execution of the strategy.
- Set the Group's values and standards and ensure that its obligations to its members and other stakeholders are understood and met.
- Apply independent and objective judgement on strategic issues, performance, resources, key appointments and standards of conduct.
- Assess whether the culture aligns with the Company's values and desired behaviours, particularly in relation to risk and customer outcomes.

They also play a critical role in satisfying themselves on the integrity of financial information and that financial controls and the risk management framework and systems of risk management (both financial and non-financial) are robust and defensible.

More specifically, **Non-Executive Directors (NEDs)** provide independent oversight of the Company's operations, ensuring that management acts in the best interests of members and stakeholders.

They contribute to the development and review of the Company's strategic direction, bringing an external perspective and industry knowledge. They play a key role in providing oversight and constructive challenge in the development of the strategy, and review the plans framed by the executive team, before final sign-off by the Board.

NEDs scrutinise the performance of management in meeting the Group's agreed goals and objectives and monitor the reporting of performance.

NEDs are also responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary removing, Executive Directors, and in oversight of Board and executive succession planning.

NEDs do not have direct responsibility for operational matters and their role differs from Executive Directors who are involved in the day-to-day running of the business. Nevertheless, to perform their oversight and challenge role effectively, NEDs should maintain a sufficient understanding of the business and their operations. This can be achieved through robust learning and development plans, tailored as necessary for individual NEDs, and informal engagement with senior management, all of which can be facilitated by the Company Secretary as necessary.

**Executive Directors** have specific management responsibilities for which they are accountable to the Board. It is their responsibility to manage the Group's business on behalf of the Board and exercise judgement in the day-to-day running of the business. They should exercise that judgement within the strategy, risk appetite and other assessment and control frameworks set and overseen by the Board. Their responsibilities as members of the Board are separate from their management responsibilities.

## Committee Chairs

NEDs' responsibilities as Chair of a Board Committee include:

- Ensuring that the Committee meets with sufficient frequency.
- Ensuring that the matters being submitted for consideration to the Committee are appropriate and within the Committee's Terms of Reference or relate to specific matters delegated from the Board.
- Fostering an open, inclusive discussion which challenges management as appropriate.
- Ensuring that the Committee devotes sufficient time and attention to the matters within its remit.
- Helping to ensure that the Committee and its members have the information necessary to enable them to fulfil their role.
- Providing effective reports to the Board on the Committee's activities and ensuring that matters are escalated to the Board where appropriate.

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