

## **THE ROLE OF THE BOARD**

The Board is collectively responsible for the long-term success of the Company. Its role is to:

- provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed;
- set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance;
- set the Company's values and standards and ensure that its obligations to its shareholders (including reporting to shareholders on the Board's stewardship) and others are understood and met.

Specific responsibilities reserved to the Board include:

- reviewing and approving the strategy of the Group at both Group and Divisional level and determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives;
- reviewing regularly operational performance and updated forecasts for the current year;
- retaining primary responsibility for acquisition and divestment policy, including the consideration of post-investment reviews, and the approval of major capital expenditure, major contracts and financing arrangements;
- approving the operating policies and procedures for the control of Treasury activities and receiving regular reports on these activities;
- reviewing at least annually the Group's pension fund arrangements, tax strategy and insurance and risk management programmes;
- reviewing at least annually the environmental, health and safety performance of the Group's operations;
- reviewing annually the processes in place for monitoring and evaluating risk and the effectiveness of the Group's system of internal control and risk management;
- approving appointments to the Board and as Company Secretary together with the termination of employment of the Executive Directors and the Company Secretary in accordance with procedures agreed from time to time by the Board;
- approving appointments to the Executive Committee;
- reviewing and approving at least annually the policies relating to the remuneration of Directors and the severance of Executive Directors' contracts and setting the remuneration of the Non-Executive Directors;
- reviewing at least annually management development and succession plans for the Group's senior management;
- ensuring that a satisfactory dialogue takes place with shareholders and approving all shareholder documentation;
- approving any matter relating to the capital structure of the Company, the Company's dividend policy and the Directors' Aide Memoire.