

Principle 1.1 - Constitution of the Board

BEST PRACTICE RECOMMENDATIONS

1. *The roles of Chairman and Chief Executive Officer are not exercised by the same individual*

- There is a clear division of responsibility at the head of the Company.
- The Chief Executive Officer is not also the Chairperson of the Company. If, exceptionally, the Board decides that the Chief Executive should become Chairman, then the Board will consult major shareholders in advance and will set out its reasons to shareholders at the time of the appointment and in the next annual report.

2. *Role of Chairman:*

The Chairman is pivotal in creating the conditions for the overall Board and individual Director effectiveness, both inside and outside the Boardroom. Specifically, it is the responsibility of the Chairman to:

- provide leadership to the Board for the efficient organisation and conduct of the Board's function and for the briefing of all Directors in relation to issues arising at Board meetings;
- manage the Board to ensure that sufficient time is allowed for discussion of complex or contentious issues, where appropriate arranging for informal meetings beforehand to enable thorough preparation for the Board discussion. It is particularly important that non-executive Directors have sufficient time to consider critical issues and are not faced with unrealistic deadlines for decision-making;
- facilitate the effective contribution of all directors and promote constructive and respectful relations among Board members and between Board and management;
- commit the time necessary to discharge that role effectively. In that context the number of other positions, and time commitment associated with them, should be taken into account;
- hold meetings with the non-executive directors without the executives present on such occasions as are deemed appropriate;
- ensure that the directors receive accurate, timely and clear information in particular about the Company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the company;
- ensure effective communication with shareholders and facilitate the effective contribution of non-executive directors in particular and ensure constructive relations between executive and non-executive Directors;
- ensure that the performance of individuals and of the Board as a whole and its committees are evaluated at least once a year; and encourage active engagement by all the members of the Board;
- run the Board and set its agenda. The agenda should take full account of the issues and the concerns of all Board members. The Agendas should be forward looking and concentrate on strategic matters.

3. *Role of Chief Executive Officer*

The Chief Executive Officer is required to :

- Meet regularly with the Board, with due notice of issues to be discussed and record its conclusions in discharging the duties and responsibilities;
- Develop and recommend to the Board the business plans and budgets that support the Company's long-term strategy and vision for the Company that lead to the creation of shareholder value;
- Strive to achieve the Company's financial and operational goals and objectives;
- Maintain a satisfactory competitive position within its industry and ensure continuous improvement in the quality and value of the products and services provided by the Company;
- Formulate and oversee the implementation of major corporate policies;
- Run the day-to-day business and implement the policies and strategies adopted by the Board;
- Ensure that the Company has an effective management team below the level of the CEO and has an active plan for its development and succession;
- Foster a positive, corporate culture that promote ethical practices, encourage individual integrity and fulfil social responsibility to attract, retain and motivate a diverse group of top-quality employees at all levels;
- Ensure in co-operation with the Board, that there is an effective succession plan in place for the CEO position;
- Serve as the chief spokesperson for the Company and attend the [Nominating & Remuneration Committee](#) meetings at the discretion of the Chairman;
- Liaise with the Chairman and carry out other duties as directed by the Board as and when required.

4. *Role of Directors (Executive/Non Executive)*

As members of the unitary Board, all Directors are required to:

- provide entrepreneurial leadership to the Company within a framework of prudent and effective controls, which enable 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; and
- set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

5. *Role of Non-Executive/Independent Directors:*

In addition to the above requirements for all directors, the role of the Non-Executive and Independent directors have the following key elements:

- Strategy - constructively challenge and help develop proposals on strategy;
- Performance - scrutinise the performance of the management in meeting agreed goals and objectives and monitoring the reporting of performance;

- Risk - satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- People – be 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 succession planning.