

HASTINGS GROUP HOLDINGS PLC (“the Company”)

DIVISION OF RESPONSIBILITIES BETWEEN CHAIR, CHIEF EXECUTIVE OFFICER AND THE SENIOR INDEPENDENT DIRECTOR

(agreed by the board on 28 April 2020)

1. BACKGROUND

- 1.1 This document sets out the division of responsibilities between the roles of the Chair, Chief Executive Officer and the Senior Independent Director in accordance with main principle G and provision 14 of the UK Corporate Governance Code 2018 (the Code”).
- 1.2 Only the Company’s board may change any of these provisions.
- 1.3 In this document ‘Group’ means the Company and its subsidiary undertakings.

2. ROLE OF CHAIR

- 2.1 To conduct the affairs of the Group in accordance with the highest standard of integrity, probity and applicable principles and rules of the UKLA and the Company’s articles of association and the resolutions of the board from time to time and to also have regard to the Code.
- 2.2 The Chair reports to the board and is responsible for the leadership and overall effectiveness of the board and setting the board’s agenda. The Chair is not responsible for the day-to-day management of the Group.

3. THE CHAIRMAN’S RESPONSIBILITIES

- 3.1 To run the board effectively by ensuring meetings are held with appropriate frequency and that the board agenda is forward-looking and reflects the important issues facing the Group, with an emphasis on the development of the Company and strategic, rather than routine, issues.
- 3.2 To ensure the frequency and depth of evaluation of the performance of the Chief Executive Officer and the board and its committees is in compliance with best practice and appropriate action, if required, is taken on the results of any such evaluation and confirm that an individual’s performance continues to be effective and to demonstrate commitment to the role when they are proposed for re-election.
- 3.3 To ensure there is appropriate delegation of authority from the board to executive management.
- 3.4 To promote a culture of openness and debate, in particular by facilitating the effective contribution of non-executive directors, and ensuring constructive relations between executive and non-executive directors and encouraging active engagement by all directors.
- 3.5 To ensure the board receives accurate, clear and timely information to support sound decision making and enable individual directors to fulfil their duties as directors.
- 3.6 To manage the board in a way which allows enough time for discussion and consideration of complex or contentious issues.
- 3.7 To ensure, with the support of the company secretary, compliance with board approved procedures, such as the schedule of matters reserved to the board and the terms of reference of each of the Company’s committees, and to ensure that they are reviewed by the board at least annually.
- 3.8 To oversee the company secretary’s responsibilities for ensuring good information flows within the board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with personal development as required.
- 3.9 To hold meetings with the non-executive directors without executive directors or senior management present.

- 3.10 To ensure, with the support of the company secretary, that new directors are provided with a full, formal and tailored induction programme on joining the board.
- 3.11 To ensure, with the support of the company secretary, that the development and ongoing training needs of individual directors and the board as a whole are reviewed at least annually and agreed.
- 3.12 To ensure effective communication by the Group with its shareholders, including discussing governance, remuneration and strategy with major shareholders, and by chairing shareholder meetings.
- 3.13 To ensure that shareholders' views are communicated to the board as a whole so that all directors develop an understanding of their views.
- 3.14 To arrange for all directors to attend the AGM and for the chairs of the audit, remuneration and nomination committees to be available to answer questions at the AGM.
- 3.15 With the assistance of the company secretary, to promote high standards of corporate governance, in compliance with the Code and to monitor the observance of relevant regulations and to ensure the affairs of the Group are conducted in accordance with the highest standard of integrity, probity and applicable principles and rules of the UKLA and the Company's articles of association, Board-approval procedures and the resolutions of the Board from time to time.
- 3.16 To be available for consultation with the Chief Executive Officer on relevant issues raised by the Chief Executive Officer and to provide support and advice to him while respecting executive responsibility.
- 3.17 To make recommendations to the Remuneration Committee with regard to the performance of the Chief Executive Officer and other executive directors.
- 3.18 To allocate responsibilities and duties to individual directors and ad hoc tasks to the executive directors.
- 3.19 To demonstrate objective judgement throughout his/her tenure

4. ROLE OF CHIEF EXECUTIVE OFFICER

- 4.1 The Chief Executive Officer reports to the Chair and to the board directly and is responsible for all executive management matters of the Group. All members of executive management report directly to the Chief Executive Officer.

5. THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITIES

- 5.1 To manage the Group on a day-to-day basis within the authority delegated by the board.
- 5.2 To conduct the affairs of the Group in accordance with the highest standard of integrity, probity and applicable principles and rules of the UKLA and the Company's articles of association and the resolutions of the board in effect from time to time and to also have regard to the Code.
- 5.3 To develop and propose Group strategy, annual plans and commercial objectives to the board, having regard to the Company's responsibilities to its shareholders and the Group's responsibilities to its customers, employees and other stakeholders.
- 5.4 To lead the executive team in the day-to-day management of the Group to pursue the Group's commercial objectives and execute Group strategy, as approved by the board.
- 5.5 To identify and execute strategic opportunities for the Group, whilst optimising as far as possible the use of the Group's resources.
- 5.6 To set an example and to communicate to the Group's employees the expectations of the board in relation to the Group's culture, values and behaviour.

- 5.7 To manage the Group's risk profile, including the health and safety performance of the business, in line with the extent of risk identified as acceptable by the board and to ensure that appropriate internal controls are in place.
- 5.8 To keep the Chair informed of all important matters.
- 5.9 To review regularly the Group's operational performance and strategic direction.
- 5.10 To ensure, with the executive team, that board decisions are implemented effectively and that significant decisions made by the executive management team are communicated to the board.
- 5.11 To ensure the executive team gives appropriate priority to providing accurate, clear and timely reports to the board.
- 5.12 To maintain a dialogue with the Chair and the board on important and strategic issues facing the Group.
- 5.13 To ensure the Chair is alerted to potential complex, contentious or sensitive issues affecting the Group.
- 5.14 To make recommendations on remuneration policies, executive remuneration and terms of employment for senior employees.
- 5.15 To advise and make recommendations in respect of executive director nominations and succession planning.
- 5.16 To ensure, with the support of the company secretary, that the executive team complies with the terms on which matters are delegated by the board, and the terms of reference of board committees, and to ensure matters outside the authority of the executive team are escalated to the board.
- 5.17 To ensure that the development needs of the executive directors and senior management are identified and met.
- 5.18 To ensure that the Company and Group develop strategies and make plans for the succession and replacement of key personnel.
- 5.19 To support the Chair in order to ensure that appropriate governance standards are applied throughout the Group.
- 5.20 To lead communications with shareholders and other stakeholders, ensuring that appropriate, timely and accurate information is disclosed to the market, with issues escalated promptly to the board where appropriate.
- 5.21 To develop Group policies for board approval and implement them, including the share dealing code and communications policy.
- 5.22 To provide, together with the Chair, coherent leadership of the Company, including representing the Group to customers, suppliers, shareholders, financial institutions, employees, the media, the community and the public, and keeping the Chair informed on all important matters.

6. SENIOR INDEPENDENT DIRECTOR'S RESPONSIBILITIES TO SHAREHOLDERS

- 6.1 To be available to shareholders if they have concerns which contact through the normal channels of Chair, Chief Executive Officer or executive directors has failed to resolve or for which such contact is inappropriate.
- 6.2 To attend sufficient meetings with and listen to the views of major shareholders to help to develop a balanced understanding of the issues and concerns of major shareholders.

7. SENIOR INDEPENDENT DIRECTOR'S RESPONSIBILITIES TO THE CHAIR AND OTHER DIRECTORS

- 7.1 To provide a sounding board for the Chair and serve as an intermediary for the other directors when necessary.
- 7.3 To meet other non-executive directors without the Chair present at least once a year to appraise the Chair's performance, taking into account the views of executive directors, and on such other occasions as are deemed appropriate.
- 7.4 To provide feedback to the board on the independent non-executive directors' collective views on the following:
- (a) the perceived quality of the relationship between the Chair and the Chief Executive Officer;
 - (b) the degree of openness between the Chief Executive Officer and the board;
 - (c) the visibility of checks and balances within the executive directors' team; and
 - (d) whether all questions asked by the non-executive directors in the board have been adequately addressed.