



FULLER, SMITH & TURNER P.L.C.

DIVISION OF RESPONSIBILITIES BETWEEN CHAIR, CHIEF EXECUTIVE AND SENIOR INDEPENDENT DIRECTOR As adopted by the Board on 25 January 2022

References to:

- **"Board"** shall mean the Board of Directors of Fuller, Smith & Turner P.L.C.
- **"Group"** shall mean the Company and its subsidiaries

1. Background

- 1.1 This document sets out the division of responsibilities between the roles of the Chair, Chief Executive and Senior Independent Director in accordance with provision 14 of the UK Corporate Governance Code 2018.
- 1.2 Only the Board may change any of these provisions.

2 Role of the Chair

- 2.1 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 Chair's Responsibilities

3.1 Board Leadership and Company Purpose

- 3.1.1 To oversee the development of the Group's purpose, values and culture, ensuring that these are aligned to the business strategy.
- 3.1.2 To maintain a dialogue with the Chief Executive on the implementation of the business strategy agreed by the Board, as well as important issues facing the Group.
- 3.1.3 To ensure the highest standards of financial rigour and capital planning are maintained at all times.
- 3.1.4 To provide advice, support and leadership to the Chief Executive and guidance as appropriate to other key executives across the business.

3.2 Meetings and information flow

- 3.2.1 To run the Board effectively by ensuring meetings are scheduled well in advance and with appropriate frequency, and to ensure that the Board agenda is forward-looking and reflects the important issues facing the Group, with an emphasis on strategy, performance,



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value creation, culture, stakeholders, risk appetite and accountability, rather than routine issues.

- 3.2.2 To promote a Board culture with an open exchange of views, challenge and debate, in particular by facilitating the effective contribution of non-executive directors, and ensuring constructive relations between executive and non-executive directors that provides a genuine check and balance on the executive directors and holds them accountable.
- 3.2.3 To ensure that there is appropriate delegation of authority from the Board to executive management.
- 3.2.4 To ensure, through the Company Secretary, that the Board receives accurate, clear and timely information to support sound decision-making and enable individual directors to fulfil their duties as directors, particularly their challenge function.
- 3.2.5 To oversee the Company Secretary's responsibilities for ensuring good information flows with the Board and its committees and between executive management and non-executive directors.
- 3.2.6 To ensure that the Board reviews continuously all key metrics in line with the agreed business plan.
- 3.2.7 To hold meetings with the non-executive directors without executive directors or executive management present from time to time.

3.3 Board composition and effectiveness

- 3.3.1 To ensure, with the support of the Nomination Committee, an appropriate balance is maintained on the Board as regards the number of executive and non-executive directors with the skills, experience, knowledge and diversity to provide effective guidance, challenge and oversight to the Board and the executive management team.
- 3.3.2 To ensure the frequency and depth of evaluation of the performance of 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. In addition, to confirm that the performance of individual directors continues to be effective and that each director continues to demonstrate commitment to the role when they are proposed for re-election.
- 3.3.3 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 Board committees, and to ensure that they are reviewed by the



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Board at least annually.

- 3.3.4 With the assistance of the Company Secretary, to promote high standards of corporate governance, in compliance with the UK Corporate Governance Code 2018 and supplementary guidance provided.

3.4 Engagement with shareholders and other stakeholders

- 3.4.1 To be the primary point of contact for family shareholders and to foster effective communication by the Group with all shareholders and direct engagement with major shareholders as required on matters of governance and performance against the strategy.
- 3.4.2 To ensure that shareholders' views are communicated to the Board as a whole so that all directors develop an understanding of their views.
- 3.4.3 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.
- 3.4.4 To ensure that the Board develops an appropriate engagement strategy to foster dialogue with its key stakeholders, and in particular the workforce.

3.5 Induction and development

- 3.5.1 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.
- 3.5.2 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 regularly and agreed.

4 Role of the Chief Executive

- 4.1 The Chief Executive reports to the Chair and to the Board directly and is responsible for all executive management matters of the Group.

5 The Chief Executive's Responsibilities

5.1 Business strategy and management

- 5.1.1 To manage the Group on a day-to-day basis within the authority delegated by the Board.
- 5.1.2 To promote a Group culture which has long-term sustainability and is aligned to the



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business strategy, and that conducts itself with appropriate standards and behaviours.

- 5.1.3 To develop and propose Group strategy, annual budget, business plans and commercial objectives to the Board and to deliver the Group's results, having regard to the Company's responsibilities to its shareholders, and the Group's responsibilities to its clients, employees, suppliers, communities, regulators, the environment and other stakeholders.
- 5.1.4 To lead the executive management team in the day-to-day management of the Group to pursue the successful achievement of the Group's commercial objectives and execution of the strategy, as approved the Board.
- 5.1.5 To ensure, with the executive management team, that Board decisions are implemented effectively and that significant decisions made by the executive management team are communicated to the Board in line with authority limits.

5.2 Risk management and controls

- 5.2.1 To manage the Group's risk profile in line with the risk appetite approved by the Board.
- 5.2.2 To ensure that appropriate internal controls are in place.
- 5.2.3 To review regularly the Group's financial and operational performance and ensure remedial action is taken promptly to address issues arising.
- 5.2.4 To act as the Board nominated sponsor for sustainability for the Group, and to oversee the Group's approach to managing material ESG risks and opportunities and climate-related risks, reporting to the Board as required.
- 5.2.5 To oversee the development of key Group policies for Board approval and implementation of them, ensuring that procedures and controls are in place to ensure compliance with them.

5.3 Investment and financing

- 5.3.1 To examine all business investments and major capital expenditure proposed and make recommendations to the Board on those which are material either by nature or by cost.
- 5.3.2 To identify and execute acquisitions and disposals subject to formal Board approval.

5.4 Information flows

- 5.4.1 To ensure the executive management gives appropriate priority to providing accurate, concise, clear and timely reports to the Board.



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- 5.4.2 To maintain a dialogue with the Chair and the Board on important and strategic issues facing the Group.
- 5.4.3 To ensure the Chair is alerted to potential contentious or sensitive issues affecting the Group.
- 5.4.4 To be open, honest and transparent and willing to engage in constructive challenge and debate with the non-executive directors.
- 5.4.5 To ensure, with the support of the Company Secretary, that the executive management 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.

5.5 People matters

- 5.5.1 To make recommendations on remuneration policy, executive remuneration and terms of employment for the executive management team.
- 5.5.2 To advise and make recommendations in respect of succession planning for the executive management team and ensure that the Group develops strategies and makes plans for the succession and replacement of key personnel.
- 5.5.3 To ensure that the development needs of the executive directors and executive management are identified and met.

5.6 Engagement with shareholders and other stakeholders

- 5.6.1 To be the primary relationship with institutional shareholders and ensure effective communication with all shareholders and that appropriate, timely and accurate information is disclosed to the market, with issues escalated promptly to the Board where appropriate.

6 Role of the Senior Independent Director ("SID")

- 6.1 The SID reports to the Chair and to the Board directly. The SID's role is to act as a sounding board for the Chair and to serve as an intermediary for the other directors and shareholders.

7 The SID's Responsibilities



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7.1 Chair

- 7.1.1 To act as a sounding board for the Chair and to support the Chair in the delivery of his objectives.
- 7.1.2 To chair the Nomination Committee when it is considering succession to the role of Chair of the Board.
- 7.1.3 To meet with the non-executive directors at least once a year to appraise the Chair's performance and on such other occasions as are deemed appropriate.

7.2 Board intermediary

- 7.2.1 To work with the Chair and other directors, and/or shareholders, to maintain stability and to resolve significant issues when the Board or Company is undergoing a period of stress.

7.3 Shareholders

- 7.3.1 To be available to shareholders if they have concerns which contact through the normal channels of Chair, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate.
- 7.3.2 To attend sufficient meetings with major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders.

8 Approvals History

Date	Approved by	Details
25 January 2022	Fuller, Smith & Turner P.L.C. Board	Adoption of new division of responsibilities, including the role of the SID.