

C&C GROUP PLC
Division of Responsibilities between Chair and Chief Executive
adopted 22 July 2020

Introduction - Status of this statement

The UK Corporate Governance Code requires there to be a clear division of responsibilities between the Chair and the Chief Executive set out in writing and agreed by the Board.

The Board recognises that overly prescribing the responsibilities of the Chair and the Chief Executive may reduce their flexibility to act in unforeseen circumstances. Accordingly, although this statement sets out a clear division of responsibilities, it is not intended to provide a definitive list of the individual responsibilities of the Chair or the Chief Executive.

This statement has been adopted by the Board and any amendments to this statement are a Matter Reserved to the Board.

Role of Chair

The Chair is responsible for leadership of the Board and for ensuring its overall effectiveness in directing the Company, and for promoting the highest standards of integrity, probity and corporate governance.

A. The Chair is responsible for:

1. Management of Board

- a) Chairing Board and Nomination Committee meetings.
- b) Running the Board and ensuring its effectiveness in all aspects of its role, including ensuring sufficient regularity and frequency of meetings.
- c) Setting the Board agenda with the help of the Chief Executive and the Company Secretary, taking into account the issues and concerns of all Board members. The agenda should be forward looking, concentrating on strategy, performance, value creation, purpose, culture, stakeholders and accountability.
- d) Ensuring that there is appropriate delegation of authority from the Board to executive management.
- e) Ensuring that Board members receive accurate, timely, high-quality and clear information, including that on the Company's current performance, to enable the Board to take sound decisions, monitor these effectively and provide advice to promote the success of the Company.
- f) Managing the Board to allow enough time for discussion of all agenda items, in particular, complex or contentious issues. The Chair should ensure that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making.

2. Directors

- a) Promoting a culture of openness and debate by facilitating the effective contribution of the non-executive directors in particular and encouraging active engagement by all members of the Board.

- b) Ensuring constructive relations between the executive and non-executive directors.
- c) Holding meetings with the non-executive directors without the executive directors present.

3. Induction, development and performance evaluation

- a) Ensuring that all new directors participate in a full, formal and tailored induction programme, facilitated by the Company Secretary.
- b) Ensuring that the development needs of directors are identified and, with the Company Secretary having a key role, that these needs are met. The directors should be able to continually update their skills and their knowledge and familiarity with the Company required to fulfil their role on the Board and its Committees.
- c) Identifying the development needs of the Board as a whole to enhance its overall effectiveness as a team.
- d) Regularly reviewing and agreeing with each director their training and development needs.
- e) Ensuring the performance of the Board, its Committees and individual directors is evaluated at least once a year.
- f) Overseeing the process of any external Board evaluation.
- g) Sharing the outcome of the Board evaluation with the Board for discussion and acting on the results by recognising the strengths and addressing the weaknesses of the Board, and where appropriate, through the Nomination Committee, proposing that new members be appointed or seeking the resignation of existing members.

4. Relations with shareholders and other stakeholders

- a) Chairing shareholder meetings.
- b) Ensuring effective communication with shareholders and other stakeholders in order to understand their views on governance, strategy and remuneration.
- c) Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers, suppliers and the community).
- d) Maintaining sufficient contact with major shareholders to understand their issues and concerns.
- e) Ensuring that the views of shareholders and other stakeholders are communicated to the Board as a whole, thereby facilitating the Board's understanding of their views and concerns.

5. AGM

- a) Chairing the AGM.
- b) Arranging for the Chairs of Board Committees to be available to answer questions at the AGM and for all directors to attend.

B. In addition, the Chair should:

- Uphold the highest standards of integrity and probity.

- Set the agenda, style and tone of Board discussions to promote effective decision making and constructive debate.
- Ensure that directors are fully informed about all issues on which the Board will have to make a decision, through briefings with the Chief Executive, the Company Secretary, and members of the executive management as appropriate.
- Ensure clear structure for, and the effective running of, Board Committees.
- Ensure effective implementation of Board decisions.
- Promote effective relationships and open communication between executive and non-executive directors both inside and outside the Boardroom, ensuring an appropriate balance of skills and personalities.
- Build an effective and complementary Board, and with the Nomination Committee initiate change and plan succession in Board appointments (except that of a successor as Chair) subject to Board and shareholder approval.
- With the assistance of the Company Secretary, promote the highest standards of corporate governance, seeking compliance with the UK Corporate Governance Code. If full compliance is not possible, ensure that the reasons for non-compliance are fully understood, agreed by the Board and explained to shareholders.
- Ensure an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers, suppliers and the community).
- Ensure the long term sustainability of the business.
- Ensure the continual improvement in quality and calibre of the executives.
- Establish a close relationship of trust with the Chief Executive and Finance Director, providing support and advice while respecting executive responsibility.
- Provide coherent leadership of the Company, including, in conjunction with the Chief Executive, representing the Company to customers, suppliers, governments, shareholders, financial institutions, the media, the community and the public.

Role of Chief Executive

The Chief Executive is accountable and reports to the Board and is responsible for running the Group's business.

A. The Chief Executive is responsible for the following, within the authority limits delegated by the Board:

1. Business Strategy and Management

- a) Developing Group objectives and strategy having regard to the Group's responsibilities to its shareholders, customers, employees and other stakeholders.
- b) Overseeing and managing all business activities, operations and performance of the Group within the authority delegated by the Board.
- c) The successful achievement of objectives and execution of strategy following presentation to, and approval by, the Board.
- d) Recommending to the Board an annual budget and other financial plans as required and ensuring their achievement following Board approval.
- e) Optimising as far as is reasonably possible the use and adequacy of the Group's resources.

2. Investment and Financing

- a) Examining all trade investments and major capital expenditure proposed and the recommendation to the Board of those which, in a Group context, are material either by nature or cost.
- b) Identifying and executing acquisitions and disposals, approving major proposals or bids.
- c) Leading diversification initiatives and identifying and executing new business opportunities outside the current core activities.

3. Risk Management and Controls

- a) Conducting the affairs of the Group with the highest standards of integrity and having regard to the Group's responsibilities with a view to safeguarding the reputation of the Group.
- b) Managing the Group's risk profile, including the health and safety performance of the business, in line with the extent and categories of risk identified as acceptable by the Board.
- c) Ensuring appropriate internal controls are in place to ensure compliance with all relevant legislation and regulations.

4. Board Committees

- a) Making recommendations on remuneration policy, executive remuneration and terms of employment of the senior executive team to the Remuneration Committee.
- b) Making recommendations to the Nomination Committee on the role and capabilities required in respect of the appointment of executive directors.

5. Communication

- a) Maintaining a dialogue with the Chair and the Board on important and strategic issues facing the Group, and proposing Board meeting agenda items to the Chair that reflect these issues. Alerting the Chair to forthcoming complex, contentious or sensitive issues affecting the Group.
- b) Supporting the Chair to make certain that appropriate standards of governance permeate through all parts of the Group.
- c) Ensuring that the Board knows the views of the senior executive team on business issues and ensuring the senior executive team gives appropriate priority to providing reports to the Board which contain accurate, timely and clear information.
- d) Leading the investor relations programme, and ensure that the Board is made aware of shareholders' views on relevant issues.
- e) Providing a structure for timely and accurate disclosure of information, including an escalation route for key issues as they arise.
- f) Ensuring effective communication with shareholders and other stakeholders.
- g) Setting an example to employees, communicating to them the Company's expectation in respect of the Company's culture and ensuring the operational policies and practices drive appropriate behaviour.

6. People

- a) Setting Group HR policies, including management development and succession planning for the senior executive team and approving the appointment and termination of employment of members of that team. To pay due regard to the benefits of diversity.
- b) To review the performance of the senior executive team, allocating responsibilities to individuals and making recommendations to the Remuneration Committee regarding individual pay and long-term performance incentives.
- c) Ensuring that effective procedures are in place for informing and consulting with the Company's employees and setting their remuneration and policies and procedures applicable to their employment.

B. The duties which derive from these responsibilities include:

- Leading the executive directors and the senior executive team in the day to day running of the Group's business, including chairing the Executive Committee and communicating its decisions/recommendations to the Board.
- Ensuring effective implementation of Board decisions.
- Regularly reviewing the operational performance and strategic direction of the Group's business.
- Regularly reviewing the Group's organisational structure and recommending changes as appropriate.

- Formalising the roles and responsibilities of the senior executive team, including clear delegation of authorities.
- Supervising the activities of subsidiary companies' most senior executives.
- Developing senior teams within subsidiaries and ensuring succession planning.
- To assist in developing policies for Board approval and then implementing them, including.
 - Code of Conduct
 - Anti-Bribery policy
 - Conflicts of Interest policy
 - Gifts and Entertainment policy
 - Expenses policy
 - Ticket Allocation policy
 - Share dealing code
 - Health and safety policy, risks and procedures (to be reviewed annually)
 - Environmental, social and governance policies
 - Diversity policy
 - Modern Slavery policy
 - Communications policy (including procedures for the release of price sensitive information)
 - Charitable donations policy
- Ensuring that all Group policies and procedures are followed and conform to the highest standards.
- Together with the Chair, providing coherent leadership of the Company, including representing the Group to customers, suppliers, government, shareholders, financial institutions, employees, the media, the community and the public.
- Keeping the Chair informed on all important matters.