

THE ROLE OF THE SENIOR INDEPENDENT DIRECTOR (SID)

The UK Corporate Governance Code provides that the Board should appoint one of its independent non-executive directors to be the senior independent director to provide a sounding board for the Chairman and to serve as an intermediary for the other directors when necessary.

Although primary responsibility for communicating the views of major shareholders to the Board rests with the Chairman, the Senior Independent Director should attend sufficient meetings with a range of major shareholders to develop a balanced understanding of views of major shareholders.

The SID should be available to shareholders if they have concerns which contact through normal channels or Chairman, Chief Executive or other Executive Directors has failed to resolve or for which such contact is inappropriate.

To address these principal role demands, the responsibility of the SID include the following:

- To chair some (or all) of the Board sub-committees.
- To bring an independent judgment to bear on issues of strategy, performance and resource allocation.
- To be independent in accordance with the UK Corporate Governance Code.
- To monitor the activities of the Board, the performance of executive management and external factors affecting the Company.
- To attend sufficient meetings with shareholders to understand their issues and concerns.
- To establish appropriate contacts and direct channels as a matter of routine to enable difficult issues to be aired before a crisis develops.
- To be available to shareholders if they have concerns which cannot be addressed through the normal channels or Chairman, CEO or Finance Director.
- To have authority to call meetings of the non-executive directors, if these are deemed necessary by the SID, in order to fulfil his duty of ensuring that all non-executive directors' views are given due consideration.
- To lead the non-executive directors, at least annually, in appraising the Chairman's performance.
- To authorise requests from directors for permission to seek independent professional advice at the expense of the Company (where appropriate).

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