

# DOCUMENTING THE ROLES OF THE CHAIRMAN, CHIEF EXECUTIVE, SENIOR INDEPENDENT DIRECTOR AND COMPANY SECRETARY



Board meeting: 22 March 2018

## BACKGROUND AND PURPOSE OF PAPER

The UK Corporate Governance Code (the Code) Principle A.2. states that: *There should be a clear division of responsibilities at the head of the company between the running of the Board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision.*

*The roles of Chairman and chief executive should not be exercised by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed by the Board.*

While BTG has reported in successive annual reports on the division of responsibility between various Board roles, these have not been formally considered and approved by the Board. This paper sets out the division of responsibilities between the Chairman and Chief Executive Officer and formalises those responsibilities of the Senior Independent Director and the Company Secretary in line with how we have reported externally.

The review of responsibilities has taken into account the best practise guidance issued by the Institute of Chartered Secretaries and Administrators (ICSA). The attached proposal does not go into as extensive a description of each role as the ICSA guidance but is considered "fit for purpose".

## ACTION REQUIRED

The Board is requested to consider, and if appropriate, approve the formal division of responsibilities detailed below.

### THE CHAIRMAN

The Chairman is responsible for leading the Board, creating conditions for overall Board and individual director effectiveness, promoting constructive debate and for ensuring:

- A robust decision making process is in place, based on all appropriate information being provided to the Board in a timely manner. Ensuring clear decisions are made, communicated and effected. Ensuring appropriate input from all directors.
- Setting the Board agenda, focusing on strategic matters and giving adequate time to other key issues, such as its role in shaping and ensuring adequate organisational capabilities and capacity.
- Managing the Board to allow enough time for discussion of complex or contentious issues.
- The Board environment is productive and the Board and its committees have appropriate composition and diversity, experience and expertise with regards to the company's evolving needs.
- Board Committees are properly structured.
- The Board discharges its responsibilities with respect to risk management and governance generally (including determining the appropriate risk appetite for the Group and addressing those matters reserved for the decision of the Board).
- Necessary relationships of mutual respect and open communication are fostered between the executive directors and non-executive directors. Providing support and advice while respecting executive responsibility.
- Effective communication with shareholders and other stakeholders.

- Appropriate oversight of business performance.
- Ensuring appropriate delegation of authority from the Board to executive management.
- Ensuring the performance of the Board, its committees and individual directors is evaluated at least once a year and acting on the results of such evaluation. Where appropriate, through the nomination committee, proposing that new members be appointed to the Board or seeking the resignation of others.
- Promote high standards of corporate governance.

## **THE CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer (CEO) is primarily responsible for the running of the Group and for executing strategy in line with the risk appetite defined by the Board and Company values. Through their direct reports, the CEO is responsible for all financial reporting, tax and financial control aspects of the Group. The Chief Executive is responsible for:

- Communicating to the Board their views on business issues to improve the standard of Board discussion and prior to final decision on an issue, explaining in a balanced way, any divergence of views in the executive team.
- Driving the strategy formulation process and definition of the Group's objectives, to enable an effective and evidence based approach and to ensure that the Board is well informed about all aspects of the business and its operations that bear on its strategy.
- Driving the execution of the strategy.
- Managing the Group's risk profile in accordance with the risk appetite defined by the Board.
- Ensuring implementation of Board actions.
- Delivering high-quality information to the Board to enable it to monitor the performance of the whole business including the management of risk, and to make critical decisions.
- Developing the overall capabilities of the organisation.

## **THE SENIOR INDEPENDENT DIRECTOR**

The role of the Senior Independent Director is principally to support the Chairman in his role and to work with him and other directors to resolve any significant issues that may arise. The Senior Independent Director is responsible for:

- Supporting the Chairman's delivery of objectives.
- Leading the non-executive directors in the oversight and evaluation of the Chairman and ensuring there is clear division of responsibility between the Chairman and Chief Executive Officer.
- Being available to shareholders to express concerns that the normal channels have failed to resolve or which would be inappropriate.
- Taking responsibility for an orderly succession process for the Chairman.

## **THE COMPANY SECRETARY**

The Role of the Company Secretary is to provide advice and assistance to the Board, particularly in relation to corporate governance practices and development. The Company Secretary ensures that:

- Board procedures are complied with and applicable legislative and regulatory rules are followed.
- A good flow of information exists to the Board and its committees.
- There is appropriate induction and facilitating ongoing training for directors.
- The Board's risk management discussions are underpinned by robust process.