

Smiths News plc

Role of Chairman

A. *The Chairman is responsible for:*

1. Meetings

- Chairing board and general meetings and those of the Nominations Committee.
- Running the board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings.
- Setting the board agenda, taking into account the issues and concerns of all board members. Whilst the agenda should deal with current issues, it should be forward looking and emphasize strategic matters.
- Ensuring that there is appropriate delegation of authority from the board to executive management.
- Ensuring that the directors receive accurate, timely and clear information, including that on the Company's current performance, to enable the board to take sound decisions, monitor effectively and provide advice to promote the success of the Company.
- Managing the board to allow time for discussions of complex or contentious issues. The Chairman 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

- Facilitating the effective contribution of non-executive directors and encouraging active engagement by all members of the board.
- Ensuring constructive relations between the executive and non-executive directors.
- Holding meetings with the non executive directors without the executives present.

3. Induction, development and performance evaluation

- Ensuring that new directors participate in a full, formal and tailored induction programme, facilitated by the Chief People Officer.
- Ensuring that the development needs of directors are identified and, with the Company Secretary and Chief People Officer having a key role, that these needs are met. The directors should be able to continually update their skills and the knowledge and familiarity with the Company required to fulfil their role on the board and its committees.
- Identifying the development needs of the board as a whole to enhance its overall effectiveness as a team.
- 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 by recognising the strengths and addressing the weaknesses of the board.
- Where appropriate through the Nominations Committee, proposing that new members be appointed to the board or seeking the resignation of others.

4. AGM

- Arranging for the Chairmen of board committees to be available to answer questions at the AGM and for all directors to attend.

B. *In addition, the Chairman 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 they 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 Nominations Committee, initiate change and plan succession in board appointments (except that of a successor as Chairman) 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 Company.
- Ensure the continual improvement in quality and calibre of the executives.
- Establish a close relationship of trust with the Chief Executive Officer and Chief Financial Officer, providing support and advice while respecting executive responsibility.
- Provide coherent leadership of the Company, including, in conjunction with the Chief Executive Officer, representing the Company to customers, suppliers, governments, shareholders, financial institutions, the media, the community and the public.

Role of Chief Executive Officer

The Chief Executive Officer is accountable and reports to the board and is responsible for running the Company's business.

A *The Chief Executive Officer is responsible for the following, within the authority limits delegated to him/her by the board:*

1. Business Strategy and Management

- Developing group objectives and strategy having regard to the Company's responsibilities to its shareholders, customers, employees and other stakeholders.
- The successful achievement of objectives and execution of strategy following presentation to, and approval by, the board.
- Recommending to the board an annual budget and long term financial plan and ensuring their achievement following board approval.
- Optimising as far as is reasonably possible the use and adequacy of the Company's resources.

2. Investment and Financing

- Examining all trade investments and major capital expenditure, which are material either by nature or cost.
- Identifying and executing acquisitions and disposals, approving major proposals or bids.
- Identifying and executing new business opportunities outside the current core activities.

3. Risk Management and Controls

- Managing the Company'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.
- Ensuring appropriate internal controls are in place.

4. Board Committees

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

5. Communication

- Providing a means for timely and accurate disclosures of information, including an escalation route for issues.

6. Relations with shareholders

- Ensuring effective communication with shareholders.
- Maintaining sufficient contact with major shareholders to understand their issues and concerns, in particular discussing governance, strategy and remuneration with them.
- Ensuring that the views of shareholders are communicated to the board as a whole so that all directors develop an understanding of their views.

7. Other

- Setting group People 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.

B. *The duties which derive from these responsibilities include:*

- Leading the executive directors and the executive team in the day to day running of the Company's business and communicating management decisions/recommendations to the board.
- Ensuring effective implementation of board decisions.
- Regularly reviewing the operational performance and strategic direction of the Company.
- Regularly reviewing the Company's organisation 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 any subsidiary companies' most senior executives.
- Developing senior teams within subsidiaries and ensuring succession planning.
- Developing the appropriate group-wide policies for board approval and then implementing them Ensuring that all Company policies and procedures are followed and conform to the highest standards.
- Together with the Chairman, providing leadership of the Company, including representing the Company to customers, suppliers, government, shareholders, financial institutions, employees, the media, the community and the public.
- Keeping the Chairman informed on all important matters.

| Version | Author | Purpose/Change | Date |
|---------|--------------------------------|---|----------|
| 1-0 | Adele Duff - Deputy Co Sec | Annual Review – approved by the board | 08.08.19 |
| 2-0 | Karen Mills - Deputy Co Sec | Annual Review – approved by the board | 23.09.20 |