

## TELFORD HOMES PLC

### DIVISION OF RESPONSIBILITIES - CHAIR AND CHIEF EXECUTIVE OFFICER

#### 1 RESPONSIBILITIES OF THE CHAIR

- 1.1 **Leadership.** The Chair is responsible for leading the Company together with the Chief Executive Officer.
- 1.2 **Representation.** The Chair should represent the Company and its Group at a business, political and community level, both generally and in the event of any unexpected situation arising, together with the Chief Executive Officer.
- 1.3 **The Board.** The Chair should lead the Board and ensure its effectiveness on all aspects of its role. This includes setting its agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chair should promote a culture of openness and debate by facilitating the effective contribution of all Directors, particularly Non-Executive Directors, and ensuring constructive relations between Executive and Non-Executive Directors. The Chair is responsible for ensuring that the Directors receive accurate, timely and clear information from its committees and from senior management. The Chair must also promote the highest standards of corporate governance and ensure there is appropriate delegation of authority from the Board to executive management
- 1.4 **Director induction, development and evaluation.** The Chair is responsible for arranging for Director induction and development and performance evaluation, including the receipt by new Directors of a full, formal and tailored induction on joining the Board, the ongoing updating of Director skills and regularly reviewing and agreeing with each Director their training and development needs. Evaluation of the Board should consider the balance of skills, experience, independence and knowledge of the Company on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness. The Chair should act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the Board and, where appropriate, proposing new members be appointed to the Board or seeking the resignation of Directors.
- 1.5 **Directing the Company Secretary.** The Chair should direct the Company Secretary to ensure good information flows within the Board and its Committees and between senior management and Non-Executive Directors, as well as facilitating induction and assisting with professional development as required.
- 1.6 **Process for Board appointments.** The Chair should lead the process for Board appointments, including the identification and recommendation of candidates for the approval of the Board to fill Board vacancies as and when they arise, or additional appointments to enhance the effectiveness, skill, knowledge, leadership and experience of the Board (except that of successor to the Chair), in particular with a view to ensuring the diversity of appointments to the Board.
- 1.7 **Relations with shareholders.** The Chair should ensure effective communication and appropriate dialogue with shareholders of the Company and arrange for Board members (and, in particular, the chairs of the Audit, Remuneration and Nomination Committees) to be available to answer questions at the Annual General Meeting. The Chair should ensure that all Directors are made aware of major shareholders' issues and concerns and that the views of shareholders are communicated to the Board as a whole. The Chair should discuss governance and strategy with major shareholders.

#### 2 RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

- 2.1 **Leadership.** The Chief Executive Officer is responsible for leading and representing the Company and its Group in their day-to-day activities and in the event of any unexpected situation arising, together with the Chair, and taking ultimate executive responsibility for all the Group's operations.
- 2.2 **Representation.** The Chief Executive Officer represents the Company and its Group in their day-to-day activities and in the event of any unexpected situation arising, together with the Chair.

- 2.3 **Company's strategy.** The Chief Executive Officer must develop strategic plans and initiatives for the Company's Group, with a view to ensuring the long-term sustainability of the businesses of the Company's Group, for consideration by the Board.
- 2.4 **Company's business.** The Chief Executive Officer must ensure, subject to unforeseen events, that the policies and strategies set by the Board are implemented, that the business is operated in accordance with those policies and strategies and that across the Company's group decisions are taken in accordance with any directions given or procedures set by the Board, and reporting on the implementation of Board decisions and compliance with procedures set by or at the direction of the Board.
- 2.5 **Company's resources.** The Chief Executive Officer must ensure that the Company's Group has such resources available to it as it might reasonably expect to require in the conduct of its business, and establishing and maintaining, subject to unforeseen departures, a balanced and diverse senior management team with expertise and experience appropriate to the challenges and opportunities of the Group's existing and possible future activities.
- 2.6 **Company's communications.** The Chief Executive Officer must ensure effective communication by the Company with its customers, employees, suppliers, regulators, and the public, and ensure effective communication within the Company and with its shareholders and that appropriate information is timely and accurately disclosed to the market as required by applicable legal requirements.
- 2.7 **Communications with the Chair.** The Chief Executive Officer must keep the Chair informed of all-important matters, strategic issues affecting the Company's Group or the Group's brand(s) and alerting the Chair to issues which are, or which could reasonably be expected to become, potentially complex, contentious or sensitive issues affecting the Company's Group.
- 2.8 **Board information.** The Chief Executive Officer must ensure that accurate, timely and clear information is provided to all Directors in a form and of a quality appropriate to enable the Board to discharge its duties.

### 3 **DEFINITIONS**

In this document the following definitions are used:

**'Board'** means the Board of Directors of the Company from time to time;

**'Company'** means Telford Homes Plc;

**'Group'** means the Company and each of the Group Companies taken together; and

**'Group Company'** means a subsidiary undertaking of the Company from time to time.

Approved by the Board on 16 May 2019.