

## Saga plc (the **Company**)

# Division of Responsibilities Between Chairman and Group Chief Executive Officer

## Role of Senior Independent Director and Committee Chairs

(Approved by the Board on 20 September 2021)

### 1. Background

1.1 This document sets out:

- (a) the division of responsibilities between the roles of the Chairman and Group Chief Executive Officer; and
- (b) the responsibilities of the Senior Independent Director.

1.2 Only the board of the directors of the Company (the **Board**) may change any of these provisions.

1.3 In this document '**Group**' means the Company and its subsidiary undertakings.

### 2. Role of Chairman

2.1 The Chairman reports to the Board and is responsible for the leadership and overall effectiveness of the Board and setting the Board's agenda. The Chairman may be a member of the Nomination Committee but shall not serve as Chair for this committee.

### 3. The Chairman's Responsibilities

3.1 To lead the Board in ensuring clarity of strategic direction (including Saga touchstones) for the business, setting the agenda, challenging management's thinking and proposals and ensuring alignment on priorities.

3.2 To sustain a strong relationship with the Group Chief Executive Officer based on a mutual understanding of each other's roles and responsibilities. Provide honest, constructive and open counsel and challenge. Be an active coach and mentor.

3.3 To (through the Board), hold the Group Chief Executive Officer to account for the execution and delivery of agreed business plans, strategy and performance of those holding key strategic roles.

3.4 To work with the Chair of the Nomination Committee, Group Chief Executive Officer and Chief People Officer to ensure the necessary quality and succession cover in the senior levels of the business.

3.5 On behalf of the Group Chief Executive Officer and the Board, to play a leadership role in influencing key opinion leaders that could impact the performance and reputation of the business and to keep the Board informed of actions taken in that role.

- 3.6 To ensure the Board is an open, collegiate, high performing team with a shared sense of purpose and that there is open and constructive debate which includes all its directors.
- 3.7 To manage the Board discussions effectively including around M&A activity and to run the Board effectively by ensuring meetings are held with appropriate frequency, and that the Board agenda is forward-looking and reflects the important issues facing the Group, with an emphasis on strategic rather than routine issues.
- 3.8 To work with the Group Chief Executive Officer and the Board to ensure the business strategy is reviewed regularly and adapts to changes in the commercial and external environment.
- 3.9 To attend regular meetings with the Group Chief Executive Officer and members of the Executive Leadership Team to discuss growth and innovation.
- 3.10 To promote a culture of openness and debate, in particular by facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors.
- 3.11 To ensure the Board receives accurate, clear and timely information to support sound decision-making and enable individual directors to fulfil their duties as directors.
- 3.12 To oversee the company secretary's responsibilities for ensuring 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 personal development as required.
- 3.13 To hold meetings with the non-executive directors without executive directors or senior management present.
- 3.14 To ensure, with the support of the company secretary, that new directors are provided with a full, formal and tailored induction programme on joining the Board.
- 3.15 To work with the Senior Independent Director to ensure effective communication by the Group with its shareholders, including discussing strategy with major shareholders; and to keep the Board informed of such discussions. To ensure that shareholders' views are communicated to the Board as a whole so that all directors develop an understanding of their views.
- 3.16 To set an example and to communicate to the Group's colleagues the expectations of the Board in relation to the Group's purpose, culture, values and behaviour.
- 3.17 With the assistance of the company secretary, to promote high standards of corporate governance, in compliance with the UK Corporate Governance Code. and to monitor the observance of relevant regulations and to ensure the affairs of the Group are conducted in accordance with the highest standard of integrity, probity and applicable principles and rules of the UKLA and the Company's articles of association, Board-approval procedures and the resolutions of the Board from time to time.
- 3.18 To deal, together with the Whistleblowing Champion, with complaints and concerns about the Group Chief Executive Officer and any other member of the Group Executive reported under the Company's Speak up procedures.

#### 4. The Group Chief Executive Officer's Responsibilities

- 4.1 To develop, propose and regularly review Group strategy, annual plans and commercial objectives to the Board, having regard to the Company's responsibilities to its shareholders and the Group's responsibilities to its customers, employees and other stakeholders.

- 4.2 To lead the executive team in the day-to-day management of the Group to pursue the Group's commercial objectives and execute Group strategy, as approved by the Board.
- 4.3 To manage the Group's risk profile, including the health and safety performance of the business, in line with the extent of risk identified as acceptable by the Board and to ensure that appropriate internal controls are in place.
- 4.4 To ensure, with the executive team, that Board decisions are implemented effectively and that significant decisions and important matters (including complex, contentious or sensitive issues) are communicated to the Board.
- 4.5 To ensure the executive team gives appropriate priority to providing accurate, clear and timely reports to the Board.
- 4.6 To make recommendations on remuneration policies, executive remuneration and terms of employment for senior employees.
- 4.7 To advise and make recommendations in respect of Board nominations and succession planning and plan for succession and replacement of key senior management.
- 4.8 To ensure, with the support of the company secretary, that the Group acts with the highest standard of integrity, probity and in line applicable principles and rules of the UKLA and the Company's constitution, with regard to the UK Corporate Governance Code 2018. Ensure that the executive team complies with the terms on which matters are delegated by the Board, and the terms of reference of Board Committees, and to ensure matters outside the authority of the executive team are escalated to the Board.
- 4.9 To ensure that the development needs of the executive directors and senior management are identified and met.
- 4.10 To ensure effective communication with shareholders and that appropriate, timely and accurate information is disclosed to the market, with issues escalated promptly to the Market Disclosure Committee where appropriate.

## 5. Senior Independent Director's Responsibilities to Shareholders

- 5.1 To be available to shareholders if they have concerns where contact through the normal channels of Chairman, Group Chief Executive Officer or executive directors has failed to resolve or for which such contact is inappropriate.
- 5.2 To ensure effective communication by the Group with its shareholders, including contacting major shareholders proactively when appropriate to discuss governance and strategy

## 6. Senior Independent Director's Responsibilities to the Chairman and Other Directors

- 6.1 To sustain a strong relationship with the Chairman based on a mutual understanding of each other's roles and responsibilities.
- 6.2 To sustain a strong relationship with the Group Chief Executive Officer and spend sufficient time with the Group Chief Executive Officer and with the Chairman to be able to provide honest, constructive and open counsel and challenge when the need arises.
- 6.3 To serve as an intermediary for the other directors when necessary.

- 6.4 To meet other non-executive directors without the Chairman present at least once a year to appraise the Chairman's performance, taking into account the views of executive directors, and on such other occasions as are deemed appropriate.

## 7. Board Committee Chairs' Responsibilities

- 7.1 To provide high quality reporting to the Board on Committee activities (including escalation of and identification of solutions to issues and concerns identified by the Committee) and be responsible for the overall effectiveness of the Committee including but not limited to;
- (a) ensuring that Committee acts, and meetings are held, in accordance with the relevant terms of reference;
  - (b) setting the agenda and ensuring that there is sufficient time to discuss agenda items (with the support of the company secretary);
  - (c) ensuring that the Committee operates effectively as a team and engages and supports individual members to enhance Committee activities and discussion;
  - (d) managing discussion and ensuring that it is on topic, productive and professional whilst achieving closure on issues;
  - (e) ensuring appropriate flow of timely and high-quality information to the Committee and its members so that the Committee is able to provide appropriate assurance to the Board on the issues within its terms of reference;
  - (f) ensuring the Committee members receive appropriate induction and ongoing training; and
  - (g) ensuring that minutes are complete and accurate, and reviewed at the next meeting.
- 7.2 To provide leadership and ensure Committee members are aware of their obligations and that the Committee complies with its responsibilities.
- 7.3 To act for the Committee between the formal meetings in accordance with the Committee's terms of reference.
- 7.4 To attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities and responsibilities.
- 7.5 To seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.
- 7.6 To ensure that the Committee produces a report of its activities to be included in the Company's annual report.

## Role of Non-Executive Director - Employee Champion

- 7.7 To ensure that employee views and opinions are communicated to the Board as a whole so that all directors develop an understanding of the view of Saga's workforce.
- 7.8 To attend the People Committee at least twice a year to observe the discussion relating to:
- Remuneration, reward and recognition
  - Employee engagement

- Development, training and talent
- Working environment
- The Saga Way
- Communication
- Responsible business activities
- Employee benefits

and to answer any questions that the employee representatives may have.

- 7.9 To meet with the Chief People Officer and/or the Head of Internal Communications and Employee Engagement regularly to receive feedback arising from People Committee meetings.
- 7.10 To provide guidance to management in preparing a response to possible questions which may be asked by employees about the structure of workforce remuneration.
- 7.11 To provide a sounding Board for those responsible for implementing all aspects of employee engagement across the Group and serve as an intermediary for the business when necessary.