



## **Board responsibilities**

The Group is controlled through its Board of Directors. The Board is responsible for the long-term success of the Group and is ultimately accountable for the Group's strategy, risk management and performance. The Board's primary roles are to create value for shareholders by setting the Group's strategic objectives and providing entrepreneurial leadership to the Group, ensuring that the necessary resources are made available so that those objectives can be met.

In discharging its responsibilities, the Board also seeks to set, promote and demonstrate adherence to our values and ethical standards for the Group. The Board is fully committed to observing the duties owed by Directors in law, including promoting the sustainable success of the Group for its shareholders and wider stakeholder base, including employees, suppliers, customers and the community.

The Board, which meets at least six times a year, has a schedule of matters reserved for its approval. The specific responsibilities reserved to the Board include setting the Group's strategy; approving the Group's annual operation plan; reviewing operational and financial performance; approving major acquisitions, divestments and capital expenditure; approving changes to governance and business policies; reviewing material contracts and contracts not in the ordinary course of business; setting dividend policy and recommending the dividend payments; appointing the Group's external and internal auditors; reviewing the Group's systems of risk management and financial controls, including effectiveness of internal audit; ensuring that appropriate management development and succession plans are in place; reviewing the environmental, health and safety performance of the Group; reviewing the effectiveness of the Board and its Committees; and appointing and removing the Company Secretary. The Board delegates matters not reserved to the Board concerning the management of the business to the Scapa Leadership Team.

### **Division of responsibilities of the Chairman and Chief Executive**

There is a clear division of responsibilities between the Chairman and the Chief Executive. Each role has its own formal written description of specific responsibilities. The Chairman's principal responsibility is to lead the Board in the determination of its strategy and the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness by facilitating full and constructive contributions to the development and determination of the Group's strategy and its overall commercial objectives from each member of the Board. The Chairman is responsible for promoting the highest standards of integrity, probity and corporate governance throughout the Group. The Chairman manages the relationship with shareholders in relation to governance matters and regularly considers the composition and skill set of the Board through evaluation. The Chairman sets the Board agenda and, with the Company Secretary, ensures that the Directors receive accurate, clear, comprehensive and timely information so that the Board is properly informed prior to each meeting in order that there can be appropriately thorough consideration and debate of the issues at Board and Committee meetings.

The Chief Executive is directly responsible for all executive management matters affecting the Group. His principal responsibility is ensuring achievement of the agreed strategic objectives and leadership of the business on a day-to-day basis. The Chief Executive is accountable to the Board for the financial and operational performance of the Group.

### **Senior Independent Director**

The Senior Independent Director provides a sounding board for the Chairman and serves as an intermediary for the other Directors as necessary, as well as carrying out the evaluation of the Chairman. He also acts as a line of contact for shareholders if they have concerns which are not appropriate for discussions through the Chairman, Chief Executive or Group Finance Director.

**Non-Executive Directors**

The Non-Executive Directors bring independence and a wide range of experience to the Board. Their role is to help develop strategy and to promote constructive debate and challenge in Board discussions. The Non-Executive Directors meet formally, at least once a year, without the Executive Directors and also meet informally on other occasions.

**Professional development**

On appointment each Director takes part in an induction programme when they receive comprehensive information about the Group, the role of the Board and the matters reserved for its decision, the terms of reference and membership of the Board and Committees, and the powers delegated to those Committees, the Group's corporate governance practices and procedures, including the powers reserved to the Group's most senior executives, and the latest financial information about the Group. This is supplemented by visits to key locations and meetings with key senior executives. Throughout their period in office the Directors are updated on the Group's business, the competitive environments in which it operates, corporate social responsibility matters and other changes affecting the Group and the industry it operates in as a whole. The Directors are also required to update their skills and knowledge by attending appropriate external courses and are required to inform the Company in writing of courses attended during the year.

**The Company Secretary**

The Company Secretary advises the Board through the Chairman on all governance matters. All Directors have access to the services of the Company Secretary and may take independent professional advice at the Company's expense in conducting their duties. In accordance with the Articles of Association and the schedule of matters reserved to the Board, the appointment and removal of the Company Secretary is a matter for the whole Board.