

# FRESNILLO PLC

## Role of the Chairman, Chief Executive and Senior Independent Director

### Statement of Division of Responsibilities between the Chairman, the Chief Executive and the Senior Independent Director

The roles and responsibilities of the board (the "board") and its committees are set out in the terms of reference of each committee and the board reserved matters.

The contents of this table is consistent with the provisions of the Financial Reporting Council's UK Corporate Governance Code (July 2018) and Guidance on Board Effectiveness (July 2018).

<b>1 Key Responsibilities</b>		
<b>Chairman</b>	<b>Chief Executive</b>	<b>Senior Independent Director</b>
1.1 The Chairman's principal responsibility is the effective running of the board.	1.1 The Chief Executive's principal responsibility is the day to day management of the Group's business.	1.1 The Senior Independent Director's principal responsibility should be to act as a sounding board for the Chairman.
1.2 The Chairman is responsible for ensuring that the board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives.	1.2 The Chief Executive is responsible for proposing, developing and delivering the Group's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the board.	1.2 The Senior Independent Director should provide support in the delivery of the Chairman's objectives and leading the evaluation of the Chairman on behalf of the other directors.
1.3 The Chairman is the guardian of the board's decision-making processes.	1.3 The Chief Executive is responsible, with the executive team, for implementing the decisions of the board and its Committees.	
<b>2 Reporting Lines</b>		
<b>Chairman</b>	<b>Chief Executive</b>	
2.1 The Chairman reports to the board.	2.1 The Chief Executive reports to the Chairman (acting on behalf of the board) and to the board directly.	2.1 The Senior Independent Director reports to the Chairman (acting on behalf of the board) and to the board directly.

2.2	The Chairman is not responsible for executive matters regarding the Group's business. Other than the Chief Executive and the company secretary, no executive has a direct reporting line to the Chairman, other than through the board.	2.2	The Chief Executive is responsible for all executive management matters affecting the Group. All members of executive management report, either directly or indirectly, to him.		
<b>3 Other Responsibilities</b>					
<b>Chairman</b>		<b>Chief Executive</b>		<b>Senior Independent Director</b>	
3.1	Running the board, setting its agenda and shaping the culture in the boardroom.	3.1	Providing input to the board's agenda from himself and other members of the executive team.		
3.2	Ensuring that board agendas are focused on strategy, performance, value creation, culture, stakeholders and accountability, that issues relevant to these areas are reserved for board decision and that there is adequate time available for discussion of all agenda items, in particular strategic issues, and that debate is not truncated.	3.2	Ensuring that he maintains a dialogue with the Chairman on the important and strategic issues facing the Group, and proposing board agendas to the Chairman which reflect these.	3.2	Assisting in the maintenance of the stability of the board and the Group, particularly during periods of stress and including where shareholders or non-executive directors have expressed concerns that are not being addressed by the Chairman or the Chief Executive, where the strategy is not supported by the entire board, where decisions are being made without the approval of the full board and where succession planning is being ignored.
3.3	Developing a productive working relationship with the Chief Executive and providing support and advice, while respecting executive responsibility.	3.3	Developing a productive working relationship with the Chairman.		
3.4	Ensuring that the board receives accurate, timely, high quality and clear information on: <ul style="list-style-type: none"> <li>the Group's performance;</li> </ul>	3.4	Ensuring that the executive team gives appropriate priority to providing reports to the board which contains accurate, timely, high quality and clear information.		

<ul style="list-style-type: none"> <li>• the issues, challenges and opportunities facing the Group; and</li> <li>• matters reserved to it for decision.</li> </ul>		
<p>3.5 Ensuring, with the advice of the company secretary where appropriate, compliance with the board's approved procedures, including the schedule of Matters Reserved to the board for its decision and each Committee's Terms of Reference.</p>	<p>3.5 Ensuring, in consultation with the Chairman and the company secretary as appropriate, that he and the executive team comply with the board's approved procedures, including the schedule of Matters Reserved to the board for its decision and each Committee's Terms of Reference.</p>	
<p>3.6 Arranging informal meetings of the directors, including meetings of the non-executive director(s) at which the executive directors are not present, as required to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.</p>	<p>3.6 Ensuring that the Chairman is alerted to forthcoming complex, contentious or sensitive issues affecting the Group of which he might not otherwise be aware.</p>	
<p>3.7 Encouraging all board members to engage in board and committee meetings by drawing on their skills, experience and knowledge.</p>		
<p>3.8 Fostering relationships based on trust, mutual respect and open communication – both in and outside the boardroom – between non-executive directors and the executive committee.</p>		
<p>3.9 Proposing to the board, in consultation with the Chief Executive, company secretary and Committee Chairmen as</p>	<p>3.9 Providing input to the Chairman and company secretary on appropriate changes to the schedule of Matters</p>	

<p>appropriate:</p> <ul style="list-style-type: none"> <li>• a schedule of Matters Reserved to the board for its decision;</li> <li>• Terms of Reference for each board Committee; and</li> <li>• other board policies and procedures.</li> </ul>	<p>Reserved to the board and Committee Terms of Reference.</p>	
<p>3.10 Chairing the Nomination Committee, and, in that role, initiating change and succession planning in board appointments to retain and build an effective and complementary board, and to facilitate the appointment of effective and suitable members and Chairmen of board Committees.</p>	<p>3.10 Providing information and advice on succession planning, to the Chairman, the Nomination Committee, and other members of the board, particularly in respect of executive directors.</p>	<p>3.10 Working closely with the Nomination Committee in an advisory capacity, if required, in relation to any succession process for the Chairman.</p>
<p>3.11 Proposing, in conjunction with the Nomination Committee, the membership of board Committees and their Chairmen.</p>	<p>3.11 If so appointed by the board, serving on the Health and Safety and Environment Committee.</p>	
<p>3.12 Ensuring that there is effective communication by the Group with its shareholders, workforce, customers and other key stakeholders, and ensuring that members of the board develop an understanding of the views of the Group's stakeholders.</p>	<p>3.12 Progressing, in conjunction with the Chief Financial Officer and, where relevant, the Chairman, the communication programme with shareholders and ensuring the board knows the views of the executive management team on business issues in order to improve the standard of discussion in the boardroom and, prior to a final decision on an issue, explain in a balanced way any divergence of view.</p>	<p>3.12 Being available to shareholders if they have concerns that contact through the normal channels of the Chairman, Chief Executive or other executive directors has failed to resolve or for which such contact is inappropriate.</p>
<p>3.13 Ensuring there is a properly constructed induction programme for new directors, facilitated by the</p>	<p>3.13 Commenting on induction programmes for new directors and ensuring that appropriate management time is made</p>	

	company secretary and Company Counsel, and providing guidance and mentoring to new directors as appropriate.	available for the process.	
3.14	Taking the lead in identifying and seeking to meet the development needs both of individual directors and of the board as a whole, assisted by the company secretary.	3.14 Ensuring that the development needs of the executive directors and other senior management reporting to him are identified and met.	
3.15	Ensuring that the performance of the board as a whole, its Committees, and individual directors is formally and rigorously evaluated at least once a year, that is not approached as a compliance exercise, acting on the results, and considering having regular externally facilitated board evaluations.	3.15 Ensuring that performance reviews are carried out at least once a year for each of the executive directors. Providing input to the wider board evaluation process.	3.15 Leading the performance evaluation of the Chairman by the independent directors, including holding a meeting once a year for this purpose and to evaluate the good standing of the Relationship Agreement.
3.16	Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at board level.	3.16 Promoting, and conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance	
<b>4</b>	<b>Status of this Statement</b>		
4.1	Any amendments to this statement are a matter reserved to the board.		
4.2	The principles in the middle column shall be deemed to be incorporated into the Chief Executive's job description.		

*Approved by the board of directors on 23 October 2019*