The UK Corporate Governance Code requires that there should be a clear division of

responsibilities between the Chairman and Chief Executive set out in writing and agreed by

the Board.

We agree with this approach but note two reservations. First, the nature of the relationship

between Chairman and Chief Executive is almost invariably more important than the

definition of their respective roles. The relationship needs to be characterised by openness

and integrity. Secondly, undue formalisation of roles cannot take unforeseen circumstances

into account and therefore a general framework of principles seems preferable to excessive

prescription. Accordingly, the following description, whilst setting out a clear division of

responsibilities, is not intended to provide a definitive list of their individual responsibilities.

**Chairman**

The Chairman is responsible for leadership of the Board. In particular, he/she will:

1. Ensure effective operation of the Board and its committees in conformity with the highest

standards of corporate governance.

2. Ensure effective communication with shareholders, host governments and other relevant

stakeholders and that the views of these groups are understood by the Board.

3. Set an agenda which is primarily focused on strategy, performance, value creation and

accountability, and ensure that issues relevant to those areas are considered by the

Board.

4. Ensure that the Board determines the nature and extent of the significant risks the

Company is willing to embrace in the implementation of its strategy, and that the Board

reviews on an ongoing basis the effectiveness of risk management and internal control

systems.

5. Set the agenda, style and tone of Board discussions to promote constructive debate and

effective decision-making.

6. Manage the Board to ensure that adequate time is allowed for discussion of all agenda

items (in particular strategic issues) and to ensure that complex or contentious issues

are dealt with effectively, making sure in particular that non-executive directors have

sufficient time to consider them.

7. Ensure that Board members receive accurate, timely and clear information, in particular

about the Company’s performance.

8. Ensure appropriate delegation of authority form the Board to executive management.

9. Ensure that all Board committees are properly established, composed and operated.

10. Chair the Nominations Committee and build an effective and complementary Board,

regularly consider its composition and balance, diversity, including gender, and

succession planning for Board and senior management appointments.

11. Liaise with the Remuneration Committee on proposals for the remuneration of the

executive directors.

12. Arrange for the chairmen of the Board Committees to be available to answer questions

at the Annual General Meeting and for all directors to attend.

13. Ensure proper disclosure in the annual report of information about the Company’s Board

appointment process including a description of the Board’s policy on diversity including

gender, any measurable objectives that it has set for implementing the policy, and

progress on achieving the objectives. The disclosure should also include a description on

the search and nomination process.

14. Ensure that the Company maintains a dialogue with its principal shareholders about

directors’ and senior managers’ remuneration, governance and strategy.

15. Ensure comprehensive and tailored induction programmes for new directors and

Committee Chairmen.

16. Ensure the directors continually update their skills and the knowledge and familiarity with

the Company (including through asset visits) as required to fulfil their role both on the

Board and on Board Committees.

17. Regularly review and agree with each director their training and development needs and

addressing the needs of the Board as a whole.

18. Support the Chief Executive in the development of strategy and, more broadly, to

support and advise the Chief Executive.

19. Maintain access to senior management as is necessary and useful, but not intrude on

the Chief Executive's responsibilities.

20. Promote effective relationships and communications between non-executive directors

and members of the Group Executive Committee.

21. Ensure that the performance and effectiveness of the Board, its main committees and

individual directors is formally evaluated on an annual basis and that there is an

externally facilitated evaluation every three years. Any evaluation should consider the

balance of skills, experience, independence, knowledge of the Company on the Board,

its diversity (including gender), how the Board operates as a unit and any other factors

relevant to its effectiveness.

22. 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.

23. Confirm to shareholders when proposing the re-election of directors that, following formal

performance evaluation the individual’s performance continues to be effective and

demonstrate commitment to the role.

24. Establish a harmonious and open relationship with all executive directors and the Chief

Executive in particular providing advice and support while respecting the executive

responsibility.

**Chief Executive**

The Chief Executive is responsible for leadership of the business, managing it within the

authorities delegated by the Board and the development and implementation of strategy. In

particular, he will:

1. Develop strategy proposals for recommendation to the Board and ensure that agreed

corporate strategy actions (including those arising from the Board Planning Conference)

are reflected in the business.

2. In conjunction with the Chief Financial Officer, develop an annual budget and the funding

plan consistent with agreed corporate strategies, for presentation to the Board for

approval. This should include developing processes and structures to ensure that capital

investment proposals are reviewed thoroughly, that associated risks are identified and

appropriate steps taken to manage the risks.

3. Be responsible to the Board for the performance of the business consistent with agreed

business plans, corporate strategies and policies and keep the Board as a whole

updated on progress made against such agreed plans, corporate strategies and policies.

4. Facilitate the operating businesses of the Company in developing their own strategic

plans for the future ensuring that they are properly evaluated and that they are built into

the overall corporate strategy.

5. Plan human resourcing to ensure that the Company has the capabilities and resources

required to achieve its plans and ensure that robust management succession and

management development plans are in place and presented to the Board from time to

time.

6. Develop an organisational structure and establish processes and systems to ensure the

efficient organisation of resources.

7. Lead the Group Executive Committee, including the development of performance targets

and appraisals for the Group Executive Committee and senior management.

8. Ensure that financial results, business strategies and, where appropriate, targets and

milestones are communicated to the investment community.

9. Develop and promote effective communication with shareholders and other relevant

stakeholders.

10. Ensure that business is conducted in accordance with the Business Principles.

11. Ensure that the flow of information to the Board is accurate, timely and clear.

12. Establish a close relationship of trust with the Chairman, reporting key developments to

him in a timely manner and seeking advice and support as appropriate.

13. Satisfy himself that reporting lines within the Company are clearly established and are

effective.

14. Ensure that management put procedures in place to ensure compliance with all relevant

legislation and regulation.

15. Develop and maintain an effective framework of internal controls including risk

management in relation to all business activities.

16. Ensure that the Company has a suitable system and policy for the timely and accurate

disclosure of information in accordance with regulatory requirements.

17. Keep the Chairman promptly informed on all matters that may be of importance to the

Board or of which the Board should be aware.

The Chairman and Chief Executive will meet regularly to review issues, opportunities and

problems.