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DATED 30 NOVEMBER 2020



BYTES TECHNOLOGY GROUP PLC

(Incorporated in England and Wales)

Registered number: 12935776

**DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIR, CEO AND
SENIOR INDEPENDENT DIRECTOR**

BYTES TECHNOLOGY GROUP PLC (THE "COMPANY")

DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIR, CEO AND SENIOR INDEPENDENT DIRECTOR

1. BACKGROUND

1.1 This document sets out the division of responsibilities between the roles of the Chair, Chief Executive Officer and Senior Independent Director in accordance with Provision 14 of the UK Corporate Governance Code. The roles and responsibilities of the board of directors (the "**Board**") and its Committees are set out in the terms of reference of each Committee and the Board reserved matters.

1.2 Only the Board may change any of these provisions.

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

2. ROLE OF CHAIR

The Chair reports to the Board and is responsible for the leadership and overall effectiveness of the Board and setting the Board's agenda. The Chair is not responsible for the day-to-day management of the Group. The Chair's role includes:

2.1 chairing Board meetings and general meetings;

2.2 setting an agenda for the Board primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, and ensuring that issues relevant to these areas are reserved for Board decision;

2.3 shaping the culture in the boardroom;

2.4 leading the Board's periodic review of the Group's culture and its alignment with purpose and values;

2.5 encouraging all directors to engage in Board and Committee meetings by drawing on their skills, experience and knowledge;

2.6 fostering relationships based on trust, mutual respect and open communication – both in and outside the boardroom – between non-executive directors and the executive team;

2.7 developing a productive working relationship with the Chief Executive Officer, providing support and advice, while respecting executive responsibility;

2.8 providing guidance and mentoring to new directors as appropriate;

2.9 leading a formal and rigorous annual evaluation of the performance of the Board, its Committees and directors, with support from the Senior Independent Director as appropriate, and acting on the results; and

- 2.10** considering having regular externally facilitated board evaluations and act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board.

3. THE CHAIR'S RESPONSIBILITIES

The Chair should ensure that:

- 3.1** there is adequate time available for discussion of all agenda items, in particular strategic issues, and that debate is not truncated;
- 3.2** there is a timely flow of accurate, high-quality and clear information, and 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;
- 3.3** there is 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;
- 3.4** the Board determines the nature, and extent, of the significant risks the Company is willing to embrace in the implementation of its strategy;
- 3.5** a dialogue is maintained with the Chief Executive Officer and the Board on important and strategic issues facing the Group;
- 3.6** all directors are aware of and able to discharge their statutory duties;
- 3.7** the Board listens to the views of shareholders, the workforce, customers and other key stakeholders;
- 3.8** all directors receive a full, formal and tailored induction on joining the Board;
- 3.9** meetings are held with the non-executive directors without executive directors or senior management present;
- 3.10** the Committees of the Board are properly structured with appropriate terms of reference, which should be published on the Company's website, that Committee membership is periodically refreshed and that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of Committees;
- 3.11** all directors continually update their skills, knowledge and familiarity with the Company to fulfil their role both on the Board and Committees;
- 3.12** with the support of the company secretary, that the development and ongoing training needs of individual directors and the Board as a whole are reviewed regularly and agreed;
- 3.13** the Board gets the most from an externally-facilitated board evaluation and that it is not approached as a compliance exercise;

- 3.14 there is effective communication by the Group with its workforce and other stakeholders, including discussing governance, remuneration and performance against the strategy with major shareholders, and that their views are conveyed to the Board as whole;
- 3.15 shareholders' views are communicated to the Board as a whole so that all directors develop a clear understanding of their views;
- 3.16 all directors attend the AGM and the chairs of the Audit, Remuneration and Nomination Committees are available to answer questions at the AGM; and
- 3.17 with the assistance of the company secretary, high standards of corporate governance, in compliance with the UK Corporate Governance Code, are promoted (or where compliance with the UK Corporate Governance Code is not possible, ensure the reasons are fully understood and explained to stakeholders).

4. ROLE OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer reports to the Chair and to the Board directly and is responsible for all executive management matters of the Group. All members of executive management report directly to the Chief Executive Officer.

5. THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITIES

- 5.1 To manage the Group on a day-to-day basis within the authority delegated by the Board.
- 5.2 To, with the support of the CFO, develop and propose Group strategy, annual budget and business plans and commercial objectives (such as major investments or divestments) to the Board, having regard to the Company's responsibilities to its shareholders and the Group's responsibilities to, and interests of, its suppliers, clients, customers, employees and other stakeholders.
- 5.3 To, with the support of the CFO, review capital expenditure proposals in line with capital expenditure approval criteria and procedures.
- 5.4 To, with the support of the CFO, lead the presentation of strategy and financial results to analysts, investors and potential investors.
- 5.5 To ensure that all reasonable measures and processes are in place to protect the health and safety of the Group's employees and third parties who come into contact with the Group's operations.
- 5.6 To ensure that the Group complies with legal and regulatory responsibilities.
- 5.7 To lead the executive management team in the day-to-day management of the Group to pursue the Group's commercial objectives and execute and deliver Group strategy, as approved by the Board, and to provide periodic updates to the Board accordingly.

- 5.8** To ensure 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.
- 5.9** To set an example to the Company's workforce, to communicate to them the expectations in respect of the Company's culture, and to ensure that operational policies and practices drive appropriate behaviour.
- 5.10** To support the Chair to make certain that appropriate standards of governance permeate through all parts of the organisation.
- 5.11** To ensure the Board is made aware of views gathered via engagement between management and the workforce.
- 5.12** To identify and execute strategic opportunities for the Group.
- 5.13** To manage and regularly review the Group's risk profile, with the Chief Financial Officer, in line with the extent of risk identified as acceptable by the Board and to ensure that appropriate internal controls are in place.
- 5.14** To review regularly the Group's operational performance and strategic direction.
- 5.15** To ensure, with the executive management team, that Board decisions are implemented effectively and that significant decisions made by the executive management team are communicated to the Board in line with authority proposals.
- 5.16** To ensure that management fulfils its obligation to provide directors with (i) accurate, timely and clear information in a form and of a quality and comprehensiveness that will enable it to discharge its duties; (ii) the necessary resources for developing and updating their knowledge and capabilities; and (iii) appropriate knowledge of the Company, including access to Company operations and members of the workforce.
- 5.17** To maintain a dialogue with the Chair and the Board on important and strategic issues facing the Group.
- 5.18** To ensure the Chair is alerted to potential contentious or sensitive issues affecting the Group.
- 5.19** To make recommendations on remuneration policies, executive remuneration and terms of employment for the executive management team.
- 5.20** To advise and make recommendations in respect of Board nominations and succession planning and ensure that the Company and Group develop strategies and make plans for the succession and replacement of key personnel.
- 5.21** To ensure, with the support of the company secretary, that the executive team complies with the terms on which matters are delegated by the Board, and the terms of reference of Committees of the Board, and to ensure matters outside the authority of the executive team are escalated to the Board.

- 5.22 To ensure that the development needs of the executive directors and senior management are identified and met.
- 5.23 To ensure effective communication with shareholders and that appropriate, timely and accurate information is disclosed to the market, with issues escalated promptly to the Board where appropriate.
- 5.24 To oversee the development of Group policies for Board approval and implementation of them, including the anti-bribery and corruption policy and share dealing code as set out in the Group's MAR Compliance Manual.
- 5.25 To ensure, with the support of the CFO, that management information systems accurately reflect trading performance and provide appropriate management information.
- 5.26 To ensure that IT development plans support the Group's activities, including computer disaster recovery arrangements and security of customer data.
- 5.27 To establish and maintain business continuity plans in the event of a major disaster.

6. THE ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director should act as a sounding board for the Chair, providing support in the delivery of the Chair's objectives.

7. THE SENIOR INDEPENDENT DIRECTORS' RESPONSIBILITIES

The Senior Independent Director should:

- 7.1 act as an intermediary for the other directors and shareholders;
- 7.2 lead a meeting of the non-executive directors, without the Chair present, at least annually to appraise the Chair's performance, and on other occasions as necessary;
- 7.3 lead the performance evaluation of the Chair on behalf of the other directors;
- 7.4 be available to shareholders if they have concerns that contact through the normal channels of the Chair, Chief Executive Officer or other executive directors has failed to resolve or for which such contact is inappropriate;
- 7.5 attend sufficient meetings with major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders;
- 7.6 be responsible for an orderly succession process for the Chair, working closely with the Nomination Committee; and
- 7.7 assist in the maintenance of the stability of the Board and Company, particularly during periods of stress. This will involve working with the Chair, directors and shareholders to resolve significant issues, for example:
 - 7.7.1 in the event of a dispute between the Chair and the Chief Executive Officer;

- 7.7.2** where the shareholders or non-executive directors have expressed concerns that are not being addressed by the Chair or the Chief Executive Officer;
- 7.7.3** where the strategy being followed by the Chair and the Chief Executive Officer is not supported unanimously by the Board;
- 7.7.4** where the relationship between the Chair and the Chief Executive Officer is particularly close;
- 7.7.5** where decisions are being made without the approval of the full Board; or
- 7.7.6** where succession planning is being ignored.

Approved by the Board on 30 November 2020.