

# ULTRA

## ULTRA ELECTRONICS HOLDINGS PLC

(Approved December 2015)

### **Board Responsibilities Statement and the Role of the Chairman, Chief Executive and SID**

#### **Board Responsibilities Statement**

To achieve the maximum effectiveness of the Board, the Board recognises that the roles of Chairman and Chief Executive need to be clearly defined. This document adopted by the Board on 22 December 2015 defines the role of the Chairman, Chief Executive and Senior Independent Director. The Chairman is responsible for the leadership of the Board and creating the conditions for overall Board and individual director effectiveness, both inside and outside the boardroom. The Chief Executive is responsible for running the Group's business.

It should be noted that this document does not supersede the authorities delegated in the Matters Reserved for the Board document approved by the Board on 22 December 2015.

#### **Statement of Division of Responsibilities between the Chairman and Chief Executive**

<b>1. Reporting Lines</b>	
<b>Chairman</b>	<b>Chief Executive</b>
1.1 The Chairman reports to the Board.	1.1 The Chief Executive reports to the Chairman (acting on behalf of the Board) and to the Board directly.
1.2 The Chairman is not responsible for executive matters regarding the Group's business. Other than the Chief Executive and the Company Secretary, no executive reports to the Chairman, other than through the Chief Executive.	1.2 The Chief Executive is responsible for all operational management matters affecting the Group. All members of executive management report, either directly or indirectly, to him.
<b>2. Key Responsibilities</b>	
<b>Chairman</b>	<b>Chief Executive</b>
2.1 The Chairman's principal responsibility is the effective running of the Board.	2.1 The Chief Executive's principal responsibility is running the Group's business.
2.2 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.	2.2 The Chief Executive is responsible for proposing and developing the Group's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board.
2.3 The Chairman is the guardian of the Board's decision-making processes.	2.3 The Chief Executive is responsible, with the executive team, for implementing the decisions of the Board and its Committees.
<b>3. Other Responsibilities</b>	
<b>Chairman</b>	<b>Chief Executive</b>
3.1 Running the Board and setting its agenda.	3.1 Providing input to the Board's agenda from himself and other members of the executive team.
3.2 Ensuring that Board agendas take full account of the important issues facing the Group, the concerns of all Board members	3.2 Ensuring that he maintains a dialogue with the Chairman on the important and strategic issues facing the Group, and

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and provide an appreciation of the overall risk profile of the Group.	proposing Board agendas to the Chairman which reflect these.
3.3 Ensuring that the Board receives accurate, timely and clear information on: <ul style="list-style-type: none"> <li>• the Group's performance</li> <li>• the issues, challenges and opportunities facing the Group and</li> <li>• matters reserved to it for decision.</li> </ul>	3.3 Ensuring that the executive team gives appropriate priority to providing reports to the Board which contain accurate, timely and clear information.
3.4 Ensuring, with the advice of the Company Secretary where appropriate, compliance with the Board's approved procedures, including the schedule of Matters Reserved for the Board for its decision and each Committee's Terms of Reference. Ensuring there is appropriate delegation of authority from the Board to executive management.	3.4 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 for the Board for its decision and each Committee's Terms of Reference.
3.5 Arranging informal meetings of the Directors, including meetings of the Non-Executive Directors 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.	3.5 Ensuring that the Chairman is alerted to forthcoming complex, contentious or sensitive issues affecting the Group of which he might not otherwise be aware.
3.6 Proposing to the Board, in consultation with the Chief Executive, Company Secretary and Committee Chairmen as appropriate: <ul style="list-style-type: none"> <li>• a schedule of Matters Reserved for the Board for its decision</li> <li>• Terms of Reference for each Board Committee and</li> <li>• other Board policies and procedures.</li> </ul>	3.6 Providing input to the Chairman and Company Secretary on appropriate changes to the schedule of Matters Reserved for the Board and Committee Terms of Reference.
3.7 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. The Board as a whole determines the chairmanship and membership of Board Committees.	3.7 Responsible for the management, development and succession planning for the senior executive team and 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.
3.8 Ensuring that there is effective communication by the Group with its shareholders, including by the Chief Executive, Finance Director and other executive management, and ensuring that members of the Board develop an understanding of the views of the major investors in the Group.	3.8 Leading the communication programme with shareholders.
3.9 Taking the lead in providing a properly constructed induction programme for new Directors, facilitated by the Company Secretary.	3.9 Commenting on induction programmes for new Directors and ensuring that appropriate management time is made available for the process.
3.10 Taking the lead in identifying and	3.10 Ensuring that the development needs of

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seeking to meet the development needs both of individual Directors and of the Board as a whole, assisted by the Company Secretary.	the Executive Directors and other senior management reporting to him are identified and met.
3.11 Ensuring that the performance of the Board as a whole, its Committees and individual Directors is formally and rigorously evaluated.	3.11 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.
3.12 Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board level.	3.12 Promoting, and conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance.
<b>4. Status of this Statements</b>	
4.1 Any amendments to this statement are a Matter Reserved for the Board.	
4.2 This statement is to be annexed to the Chief Executive's Job Description. In the event of any conflict between this statement and the Chief Executive's Job Description in so far as they may relate to his role as Chief Executive, this statement shall take precedence.	
4.3 This statement is to be annexed to the Chairman's Letter of Appointment. In the event of any conflict between this statement and the Chairman's Letter of Appointment, in so far as they may relate to his role as Chairman, this statement shall take precedence.	

## Role of the Senior Independent Director ("SID")

<b>1. Shareholders</b>
<ul style="list-style-type: none"> <li>• The SID will be available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate.</li> <li>• They will attend sufficient meetings with major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders.</li> </ul>
<b>2. Chairman</b>
<ul style="list-style-type: none"> <li>• The SID will meet with the Non-executive Directors at least once a year to appraise the Chairman's performance and on such other occasions as are deemed appropriate.</li> </ul>