

VELOCYS PLC

Roles of the chairman, chief executive officer and senior independent director under the UK Corporate Governance Code

(as adopted by Board Resolution on 10 February 2016)

1. The roles of the chairman and chief executive officer

	Chairman	Chief Executive Officer
1.1	Running the board and setting its agenda.	Providing input to the board's agenda from him/herself and other members of the executive team.
1.2	Ensuring that board agendas take full account of the important issues facing the group and the concerns of all board members. There should be an emphasis on strategic, rather than routine, issues.	Ensuring that he/she 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.
1.3	Ensuring that the board receives accurate, timely and clear information on: <ul style="list-style-type: none"> • the group's performance • the issues, challenges and opportunities facing the group; and • matters reserved to it for decision. 	Ensuring that the executive team gives appropriate priority to providing reports to the board which contain accurate, timely and clear information.
1.4	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.	Ensuring, in consultation with the chairman and the company secretary as appropriate, that he/she 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.
1.5	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.	Ensuring that the chairman is alerted to forthcoming complex, contentious or sensitive issues affecting the group of which the chairman might not otherwise be aware.
1.6	Proposing to the board, in consultation with the chief executive, company secretary and committee chairmen as appropriate: <ul style="list-style-type: none"> • a schedule of matters reserved to the board for its decision • Terms of reference for each board Committee and • other board policies and procedures. 	Providing input to the chairman and company secretary on appropriate changes to the schedule of matters reserved to the board and committee terms of reference.
1.7	Chairing the nomination committee, and, in that role, initiating change and succession planning in board appointments to retain and	Providing information and advice on succession planning, to the chairman, the nomination committee, and other members

	build an effective and complementary board, and to facilitate the appointment of effective and suitable members and chairmen of board committees.	of the board, particularly in respect of executive directors.
1.8	Proposing, in conjunction with the nomination committee, the membership of board committees and their chairmen.	If so appointed by the board, serving on the nomination committee.
1.9	Ensuring that there is effective communication by the group with its shareholders, including by the chief executive, chief financial officer 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.	Leading the communication programme with shareholders.
1.10	Taking the lead in providing a properly constructed induction programme for new directors, facilitated by the company secretary.	Commenting on induction programmes for new directors and ensuring that appropriate management time is made available for the process.
1.11	Taking the lead in identifying seeking to meet the development needs both of individual directors of the board as a whole, assisted by the company secretary.	Ensuring that the development of the executive directors senior management reporting are identified and met.
1.12	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.	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.
1.13	Promoting the highest standards of integrity, probity and corporate governance throughout the group and particularly at board level.	Promoting, and conducting the affairs of the group with the highest standards of integrity, probity and corporate governance.
2.	Status of this statement	
2.1	Any amendments to this statement are a matter reserved to the board.	
2.2	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 statement in so far as they may relate to their role as group chief executive, this statement shall take precedence.	

3. Role of Senior Independent Director ("SID")

The role of the SID is as follows:

3.1	<i>Shareholders</i>
	To be available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer has failed to resolve, or for which such contact is inappropriate.
	To attend sufficient meetings with a range of major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders.

3.2	<i>Chairman</i>
	To provide a sounding board for the chairman and to serve as an intermediary for the other directors when necessary
	To chair the Nomination Committee when it is considering succession to the role of Chairman of the Board
	To lead a meeting of the non-executive directors (without the chairman present) to appraise the chairman's performance, at least annually and on such other occasions as are deemed appropriate. The evaluation should take into account the views of executive directors.

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