

Terms of Reference – Chief Executive Officer

Version 1.6

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Owner:	Company Secretariat

Terms of Reference of Chief Executive Officer

1. Strategy and Operations

The chief executive officer of the Company (the **CEO**) shall:

- 1.1. devise the strategy and long term objectives of the Company and its subsidiaries (together the **Group**), in line with the agreed risk appetite, for recommendation to the board of the Company (the **Board**) and, following approval, implement the strategy and objectives through the leadership of the executive team with guidance or direction given where appropriate (the **Executive Team**);
- 1.2. recommend to the Board an annual budget including sales, revenue and cost targets, and operating plan and ensure their achievement following Board approval;
- 1.3. regularly review and monitor the operational performance and strategic direction of the Group's business and report accurately in agreed formats to the Board and its committees (the **Committees**);
- 1.4. make decisions on all matters affecting the operations, performance and strategy of the Group's business, with the exception of matters reserved for the Board;
- 1.5. ensure the Board's strategies, objectives and decisions are implemented in a timely and effective manner;
- 1.6. create and oversee the implementation of new product and market developments for the business ensuring that the appropriate outcomes for customers have been considered;
- 1.7. build the strength of the Ibstock brand and protect associated intellectual property; and
- 1.8. ensure that all activities are in line with the Ibstock brand and deliver on the brand values.

2. Regulatory and Compliance

The CEO shall:

- 2.1. develop and maintain good, open and transparent regulatory relationships; and
- 2.2. ensure that the Group's business operates in line with all regulatory responsibilities.

3. Leadership and People Management

The CEO shall:

- 3.1. ensure that there is clear articulation of responsibilities amongst members of the Executive Team with a clear organisational design;
- 3.2. ensure succession plans are put in place for the Executive Team (in conjunction with the Company's nomination committee (the **Nomination Committee**)) and arrange appropriate development;

- 3.3. approve the appointment and termination of the employment of Executive Team members;
- 3.4. provide effective leadership of the executive directors and senior management team in the day to day running of the Group's business, and oversight of executive meetings; and
- 3.5. regularly keep the chair of the Board (the **Chair**) and other non-executive directors informed on all matters that may be of importance to the Company and of relevance to them in the performance of their roles, including the Company's current performance and progress.

4. Governance and Control

The CEO shall:

- 4.1. ensure that the Group's balance sheet is robust and represents the agreed level of risk;
- 4.2. ensure that appropriate high level systems and controls are in place to deliver strong financial management, govern the businesses and manage risk;
- 4.3. devote as much of his/her time, attention, ability and skills as are reasonably required for the performance of his/her duties; and
- 4.4. ensure that in carrying out his or her responsibilities, he/she acts in accordance with:
 - a) all relevant legislative and regulatory rules applicable to directors - in particular, taking into account the Directors' Duties contained in the Companies Act 2006, the best practice principles of the UK Corporate Governance Code, the Listing Rules, the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority, and any other relevant factors;
 - b) Board-approved procedures; and
 - c) resolutions of the Board.

5. Shareholder and Stakeholder Responsibilities

The CEO shall:

- 5.1. ensure effective communication with shareholders, employees and other stakeholders, in order to understand their issues and concerns, and communicate issues to the Board;
- 5.2. leverage business partnerships and other third party relationships to drive strategic development of the business; and
- 5.3. continue to grow the Company's reputation externally.

6. Relationship of the CEO and the Chair

- 6.1. The roles of the CEO and the Chair must be complementary and shall not be occupied by the same individual. The CEO is responsible for running the business within the

authority delegated by the Board, whilst the Chair is responsible for the leadership, management and effectiveness of the Board.

- 6.2. The CEO and the Chair must ensure that each is appropriately informed of the other's current areas of activities. They must work closely together as a team to promote the long-term success of the Group.
- 6.3. The relationship of the CEO and the Chair must be based on mutual respect and trust, with problem areas being addressed openly.
- 6.4. The Chair must have such direct access to senior executives as he deems necessary.
- 6.5. The CEO and the Chair must agree on their respective roles in setting major tasks and in taking new initiatives.
- 6.6. These guiding principles will only be modified by mutual agreement between the CEO and the Chair and with the prior approval of the Board.

7. Personal Standards and Behaviours

The CEO shall:

- 7.1. uphold the highest standards of integrity, diversity and probity and set clear expectations in respect of the Group's culture, values and behaviours;
- 7.2. undertake regular and relevant training in order to maintain an appropriate level of competence;
- 7.3. effectively lead, manage and develop direct reports to ensure that they maximise their contribution to the business;
- 7.4. create, lead and maintain an effective, motivated and empowered organisation which supports the Ibstock brand values and is underpinned by effective communication;
- 7.5. represent the Group externally with key stakeholders; and
- 7.6. promote the highest standard of corporate governance and adhere to the spirit of the principles of the Group.