WILLIAM HILL PLC

STATEMENT OF DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND CHIEF EXECUTIVE, AND THE ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Board believes that there should be a clear division of responsibilities between the Chairman, who has responsibility for running the Board and the Chief Executive, who has responsibility for running the Company’s business.

This document sets out their responsibilities as well as the role of the Senior Independent Director and was agreed by the William Hill PLC Board on 6 August 2019.

1. CHAIRMAN

The Chairman is responsible for leadership of the Board and is responsible for its overall effectiveness in directing the company. At William Hill, this encompasses having responsibility for the working of the Board, and for the balance of its membership. It also means ensuring that all directors, executive and non-executives alike, are enabled to play their full part in its activities. The Chairman’s duties therefore include, but are not limited to, the following:

Board Governance

- to chair all meetings of the Board and to agree the frequency and procedures for these meetings and to ensure sufficient time is allowed to consider critical issues and to answer questions or concerns;
- to serve on, attend and/or chair certain Board committees, including the Nomination Committee;
- to set the Board agenda, having agreed this in advance with the CEO, taking into account any issues or concerns of Board members. This extends to allowing adequate time for discussion of all agenda items, and ensuring due focus is given to strategy, performance, creating value over the longer term and accountability at all times;
- to ensure that the Board is properly constituted and effective, and with the Nomination Committee to initiate change and regularly plan succession for Board appointments (other than the Chairman’s successor which is the responsibility of the Senior Independent Director);
- to facilitate the effective contribution of non-executive directors and to encourage active engagement by all Board members to provide a rigorous and robust decision-making process with sufficient independent scrutiny and challenge;
- encouraging all Board members to engage in Board and Committee meetings by drawing on their skills, experience, knowledge and, where appropriate, independence;
- to ensure a constructive relationship between executive and non-executive directors;
- to hold meetings with the non-executive directors without executives present at least once a year;
- to ensure with the CEO and Company Secretary that all necessary supporting information is available in good time to all members of the Board. All information shall be of a high quality so that the Board is properly briefed;
- to ensure that the corporate governance of the Company is conducted in accordance with good practice, including appropriate structuring of and governance arrangements for all Board Committees;
- to ensure that there is appropriate delegation of authority from the Board to executive management;

Board Culture

- to demonstrate appropriate ethical leadership;
- to ensure that the Board demonstrates a good ‘tone from the top’ in respect of the Company’s culture and values;
- to promote a culture of transparency and openness, whereby any subject areas raised by directors can be given full and appropriate attention by the Board in its deliberations;
- to ensure high standards of corporate governance are adhered to;
Strategy and Performance Management

- to ensure that the appropriate strategy and risk appetite for the Company is developed by the CEO, as a proposal for the Board, and to ensure that the Company’s strategy is fully considered and successfully implemented by the CEO;
- to ensure that the performance of the CEO is monitored effectively by the Board and that a strong management succession is developed with robust plans in place;
- to be available for consultation with the CEO as needed;
- to develop productive working relationships with all other Executive directors and with the Group Executive;

Senior Independent Director (SID)

- to develop an effective working relationship with the SID, and to consult with them when appropriate and as required by the UK Corporate Governance Code;

Training and Evaluation

- to take the lead (with appropriate support from the Company Secretary) on issues of director development, including thorough induction programmes for new directors and regular reviews of training and development plans with all directors;
- to ensure that the performance of the Board, its Committees and individual directors is evaluated at least once a year and externally at least every third year, and to ensure that the Board acts on the results, ensuring that it considers the balance of skills, experience, independence and knowledge of the Company on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness;
- acting 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;
- to confirm to the 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, including commitment of time for Board and Committee meetings and any other duties;

Stakeholder Management

- with the support of the CEO, CFO and SID, to ensure sufficient contact with major shareholders is maintained to understand their issues and concerns and to ensure that their views are communicated regularly to the Board;
- to provide support where needed with the CEO on the relationship with governments, authorities, regulators, other providers of the Company’s capital, and any other key stakeholders;
- to periodically report to shareholders and other stakeholders on the progress made by the Company against its strategy, how the Company applies the principles of good corporate governance in its activities, and any other major developments which may affect the business; and
- to chair the Annual General Meeting and all other General Meetings of the Company.

2. CHIEF EXECUTIVE

The Chief Executive shall have overall responsibility for the day-to-day management of the Group. The Chief Executive may make decisions in all matters affecting the operations, performance and strategy of the Group’s businesses, with the exception of those matters reserved to the Board or specifically delegated by the Board to its committees or the boards of subsidiaries. The Chief Executive is specifically responsible for the following:

- to develop and recommend Group strategy and objectives to the Board having regard to the Group’s responsibilities to its shareholders, customers, employees and other stakeholders;
- to implement strategies and objectives approved by the Board and monitor operational performance;
- to recommend the Group’s annual budget to the Board and ensure effective implementation of it;
to ensure proper financial management and control in all companies and manage the Group’s risk profile;

to review and monitor the performance of the Group and its organisational structure and to report to the Board on the Group’s results, future prospects, management initiatives, regulatory issues, competitor activity, key risk areas and strategy (including potential acquisitions and disposals);

to examine all significant capital expenditure requests before submission to the Board;

to identify, and make recommendations to the Board regarding, appropriate acquisitions and disposals and approve those that do not require Board approval;

to identify and execute new business opportunities;

to provide effective inspirational leadership to the workforce and manage the Group with a culture and style that is clear and stimulating to those employed in it and to those who invest in it and ensure that it is held in high regard;

to ensure, with the executive team, that Board decisions are implemented effectively and that significant decisions made by the executive committee are communicated to the Board;

to define and agree the role and objectives of executive directors and senior executives and supervise the performance of those reporting to him;

to make recommendations to the Nomination Committee regarding the appointment of executive directors;

to ensure the development of appropriate remuneration policies for approval by the Remuneration Committee where appropriate;

to implement appropriate HR policies including relating to succession planning and management development;

to develop appropriate group-wide policies for approval by the Board in the area of corporate social responsibility;

to ensure compliance with statutory and legal requirements and set high standards of corporate behaviour;

to ensure satisfactory relations with employees, shareholders, suppliers, financial and governmental institutions, regulatory bodies and other outside parties; and

to keep the Chairman informed on all important matters.

3. SENIOR INDEPENDENT DIRECTOR

In normal times, the Senior Independent Director is specifically responsible for the following:

- to work closely with the Chairman, acting as a sounding board and providing support;
- to act as an intermediary for other directors as and when necessary;
- to be available to shareholders and other non-executives to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chairman, the CEO or finance director);
- to meet at least annually with the non-executives to review the Chairman’s performance and to carry out succession planning for the Chairman’s role;
- to chair meetings of the Nomination Committee when it is considering succession to the role of Chairman; and
- to attend sufficient meetings with major shareholders to obtain a balanced understanding of their issues and concerns.

If the Board is undergoing a period of stress, the Senior Independent Director will work with the Chairman, the CEO and other directors or shareholders, as required, to resolve significant issues.