

1. Introduction


The Principles of the 2018 UK Corporate Governance Code (the “Code”) are as follows:

Principles

- F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.
- G. The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board’s decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company’s business.
- H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.
- I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

CLS’s Board structure is as follows:

- Independent Non-Executive Chairman
- Non-Executive Deputy Chair
- Chief Executive Officer
- Chief Financial Officer
- Independent Non-Executive Directors (one of whom is nominated as the Senior Independent Director)
- Non-Executive Directors


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2. Division of responsibilities


Paragraph 61 of the 2018 Guidance on Board Effectiveness states that:

“The role of the Chairman is pivotal in creating the conditions for overall board and individual director effectiveness, setting clear expectations concerning the style and tone of board discussions, ensuring the board has effective decision-making processes and applies sufficient challenge to major proposals. It is up to the chair to make certain that all directors are aware of their responsibilities and to hold meetings with the non-executive directors without the executives present in order to facilitate a full and frank airing of views.”


Independent Non-Executive Chairman	Chief Executive Officer
The Chairman reports to the Board of Directors.	The Chief Executive Officer reports to the Board, both directly and through the Chairman.
The Chairman is responsible for setting a board agenda primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, and ensuring that issues relevant to these areas are reserved for board decision.	The Chief Executive Officer is responsible for executive management matters within the group, other than those held by the Chairman. The executive team reports to the Chief Executive Officer.
The Chairman’s principal responsibility is the effective running of the Board and shaping the culture in the boardroom.	The Chief Executive Officer’s principal responsibility is the operation of the business of the Group.
The Chairman is responsible for ensuring that the Board engage in Board and committee meetings by drawing on their skills, experience and knowledge such that they can play a full and constructive part in the determination and development of the Group’s strategy and overall commercial objectives.	The Chief Executive Officer is responsible for implementing and developing the group’s strategy and overall commercial objectives, in close consultation with the Chairman and the Board.

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<p>The Chairman is the guardian of the Board's decision-making processes.</p>	<p>The Chief Executive Officer is responsible, with the executive team, for implementing the decisions of the Board and its committees.</p>
<p>The Chairman has responsibility for running the Board, setting its agenda and shaping the culture in the Boardroom.</p>	<p>The Chief Executive Officer provides input to the Board's agenda from himself and other members of the executive team.</p>
<p>The Chairman ensures 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.</p>	<p>The Chief Executive Officer ensures that he maintains a dialogue with the Chairman on the important and strategic issues facing the group, and proposes Board agendas to the Chairman which reflect these.</p>
<p>The Chairman ensures that the Board receives accurate, timely and clear information on:</p> <ul style="list-style-type: none"> • Group performance • Issues, risks, challenges and opportunities facing the Group • Matters reserved to the Board for decision 	<p>The Chief Executive Officer ensures that the executive team gives appropriate priority to providing reports to the Board which contain accurate, timely and clear information.</p>
<p>The Chairman shall ensure, with the advice of the Company Secretary where appropriate, compliance with the Board's approved procedures, including the Schedule of Matters Reserved and each committee's terms of reference.</p>	<p>The Chief Executive Officer shall ensure, in consultation with the Chairman and Company Secretary as appropriate, that he and the executive team comply with the Board's approved procedures.</p>
<p>The Chairman shall arrange informal meetings of the Directors, including meetings of the non-executive Directors without the executive Directors present, as they are required to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.</p>	<p>The Chief Executive Officer ensures that the Chairman is alerted to forthcoming complex, contentious or sensitive issues affecting the Group, of which he might otherwise not be aware.</p>
<p>The Chairman proposes to the Board, in consultation with the Chief Executive Officer, the Company Secretary and the committee chairmen as appropriate:</p>	<p>The Chief Executive Officer provides input to the Chairman and company secretary on appropriate changes to the Schedule of Matters Reserved, and the terms of reference for the Board committees.</p>

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<ul style="list-style-type: none"> • A Schedule of Matters Reserved for the decision of the Board • The Terms of Reference for each Board committee • Other policies and procedures of the Board 	
<p>The Chairman initiates 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.</p>	<p>The Chief Executive Officer provides information and advice on succession planning to the Chairman, and other members of the Board, particularly with regard to the executive Directors and the senior leadership team.</p>
<p>The Chairman determines the membership of Board committees and their chairmen, and ensures there is sufficient time allowed at the board for committees to report.</p>	
<p>The Chairman ensures that there is effective communication by the Group with its shareholders, including by the Chief Executive, and other executive management; and ensuring that the members of the Board develop an understanding of the views of major investors in the group.</p>	<p>The Chief Executive Officer leads the communication programme with shareholders.</p>
<p>The Chairman ensures that there is a properly constructed induction programme for new Directors, facilitated by the Company Secretary, and mentoring them as appropriate.</p>	<p>The Chief Executive Officer comments on induction programmes for new Directors and ensures that appropriate management time is made available for the process.</p>
<p>The Chairman will consider having regular externally facilitated board evaluations in accordance with the provisions of the UK Corporate Governance Code.</p>	
<p>The Chairman takes the lead in identifying, promoting and seeking to meet the development needs, both of individual Directors and of the Board as a whole, assisted by the Company Secretary.</p>	<p>The Chief Executive Officer ensures that the development needs of the executive Directors, and other senior management reporting to him, are identified and met.</p>
<p>The Chairman ensures that the performance of the Board as a whole, its</p>	<p>The Chief Executive Officer ensures that performance reviews are carried out at least</p>

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committees, and individual Directors is formally and rigorously evaluated at least once a year.	once a year for each of the executive Directors. He provides input into the wider Board evaluation process.
The Chairman promotes the highest standards of integrity, probity and corporate governance throughout the group, and particularly at Board level.	The Chief Executive Officer promotes, and conducts the affairs of the group towards, the highest standards of integrity, probity and corporate governance.

3. Role of the Non-Executive Deputy Chair

The Non-Executive Vice Chairman (“NEDC”) will be the nominated representative of the Company’s Controlling Shareholder (Creative Value Investments Group, “CVIG”) and report to the Chairman on all Board related matters. The NEDC will also assist the Chairman in his areas of responsibility, such as preparing, developing and ensuring the implementation of Group strategies. In the absence of the Chairman, the NEDC will deputise at Board meetings. In the event that the NEDC is conflicted, the SID will deputise for the Chairman for the duration of that matter. The NEDC will Chair the Nominations Committee.

4. Role of the Senior Independent Director

The Senior Independent Non-Executive Director (“SID”) will act as a sounding board for the Chairman, supporting in the delivery of their objectives and serve as an intermediary for the other Non-Executive Directors. The SID is responsible for holding annual meetings with the Non-Executives without the Chairman present and to appraise the Chairman’s performance. The SID is expected to work with the board and with shareholders to resolve major issues.

Reviewed and approved by the Board on 12 November 2024