

Role of the Board

As in all other companies, the Board is responsible for oversight of the Company's operations and strategy.

In addition, the Dotdigital Group PLC Board also has the responsibility over and above that faced by a company with shareholders to ensure that the highest standards of corporate governance are followed.

The Board's objectives are:

- to help Dotdigital to succeed;
- to add value and support, as a Board, to the executive team;
- to deliver exemplary corporate governance and build an effective and open Board;
- to represent well the values that Dotdigital stands for; and
- to enjoy being part of a Successful fast-growing global company.

Roles of the Chairman and CEO

There is a clear division of responsibilities between the Chairman and CEO.

The Chairman is responsible for the leadership of the Board and is pivotal in the creation of the conditions necessary for overall board and individual director effectiveness, both inside and outside of the boardroom. It is also the Chairman's role to ensure effective communication with the shareholders and to chair the Board and General Meetings.

The CEO is responsible for the day to day management of the business, in line with the strategy and long term objectives approved by the Board. The CEO may make decisions in all matters affecting the operations, performance and strategy of the Group's businesses, with the exception of those matters reserved for the Board or specifically delegated by the Board to its Committees and executive committees.

Role of the Chairman

The Chairman is expected to be independent on appointment and is expected to remain independent throughout his tenure.

To promote and oversee the highest standards of corporate governance within the Board and the Company.

To lead the Board and in particular discussions on all proposals put forward by the executive team.

To set an agenda for the Board which is:

- focused on strategic matters;
- forward looking;
- evaluates and oversees current business.

To maintain a proper process to ensure compliance with Board policy on matters reserved to the Board for consideration.

To ensure that Board members receive accurate, timely and clear information to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company.

To manage Board meetings so that sufficient time is allowed for the discussion of complex or contentious issues and that all members' contributions are encouraged and valued.

To chair, serve on or attend Committees of the Board.

To maintain an effective and balanced team, initiate change and, supported by the Nomination and Governance Committee, plan non-executive director succession.

To encourage active engagement by all members of the Board.

To create the conditions for overall Board and individual director effectiveness including promotion of an appropriate induction programme for new directors, creating the opportunity for maintenance of the relevant skills and knowledge required to fulfil the director role on the Board and its committees and ensuring the Board undertakes an annual evaluation of its own performance, that of its committees and that of individual directors, including the Chairman.

To take the lead in identifying and meeting the development needs of individual directors and to address the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team.

To ensure effective communication with shareholders and ensure that members of the Board develop an understanding of the views of shareholders.

To be a sounding board and mentor to the CEO.

If a new CEO is required, to lead the process for identifying suitable successors and to assist the chair of the Nomination and Governance Committee recommending a candidate or candidates to the Board.

To represent Dotdigital with external parties (in addition to the CEO).

The CEO

The CEO has full power to lead and manage the business.

The CEO proposes, implements and reports on the strategic direction of the Group as well as particular divisional and business strategies and initiatives.

The CEO annually brings forward to the Board both three year plans and annual operating plans; once adopted they are responsible for their implementation and delivery and reports on progress at frequent and regular intervals.

All members of the senior management team report directly to the CEO. They are responsible for appraising the performance of each member of the team, encouraging their development and further training, where necessary replacing them, recruiting replacements whether internally or externally and formulating remuneration proposals for remuneration committee decision making.

The CEO, as does the Chairman, represents the Company with all external audiences both in the UK and in relevant overseas territories. The CEO takes lead responsibility for the maintenance and development of Dotdigital's reputation and relationships with the media, regulators, governments, local communities, supplier, customer, trade bodies and other stakeholders.

Role of the Senior Independent Director

The Board will appoint one of the independent Non-Executive Directors to be the Senior Independent Director, to provide a sounding board for the Chairman and to serve as an intermediary for the other directors where necessary.

The SID, in common with all Non-Executive Directors, has the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for promoting the success of the company by directing the Company's affairs.

In addition, the SID will:

A. Duties Relating to Executive Directors

- Be available to the Executive Directors if they have concerns which contact through the normal channels of Chairman or CEO has failed to resolve or for which such contact is inappropriate.

B. Duties Relating to the Chairman

- Act as a sounding board for the Chairman and CEO on board and Executive Directors.
- Chair the Nomination Committee when it is considering succession to the role of Chairman of the Board.
- Be a conduit, as required, for views by other Non-Executive Directors on the performance of the Chairman, and chair a formal annual session of the Nomination Committee members (excluding the Chairman) to agree the Chairman's objectives and review his performance.
- Conduct the Chairman's annual performance appraisal.
- Consider the initial fee proposals for the Chairman for the Board to consider and approve.
- Be the focal point for board members for any concerns regarding the Chairman, or the relationship between the Chairman and the Group CEO.

C. Duties Relating to the Board

- Act as a trusted intermediary for Non-Executive Directors where this is required to help them to challenge and contribute effectively.
- Take the initiative in discussion with the Chairman or other board members if it should seem that the Board is not functioning effectively.

Role of the Non-Executive Director

Non-Executive Directors have the same general legal responsibilities to the Company as any other director.

As members of the Board, all directors are required to:

- Provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives, and review management performance.
- Set the Company's values and standards and ensure that its obligations to its Association Members and others are understood and met.

The Board as a whole is collectively responsible for promoting the success of the Company by directing the company's affairs. In addition to these requirements for all directors, the non-executive directors are expected constructively to challenge and help develop strategy, to participate actively in the decision-making process of the Board, and to scrutinise the performance of management in meeting agreed goals and objectives.

1. Key Accountabilities

The role of the Non-Executive Director has the following key elements:

- **Strategy.** Non-Executive Directors should constructively challenge and help develop proposals on strategy.
- **Performance.** Non-Executive Directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- **Risk.** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- **People.** Non-Executive Directors are responsible for determining appropriate levels of remuneration of executive directors, and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

In order to fulfil their role, Non-Executive Directors will:

- Meet from time to time, if appropriate, as a group without executive directors being present, and at least once a year without the Chairman being present. In this case the meeting is led by the Senior Independent Director.
- Be entitled to seek independent professional advice, at the Company's expense, in the furtherance of their duties.

Non-Executive Directors may be asked by the Board to serve on one or more of the board committees. If appointed to a board committee, Non-Executive Directors will be

advised of the committee terms of reference, and any specific additional responsibilities involved.

2. Time Commitment

All directors must be able to allocate sufficient time to the Company to perform their responsibilities effectively. Non-Executive Directors will be required to:

- (i) Undertake that they will be able to allocate sufficient time to meet the expectations of the role, as set out in their letter of appointment, or as agreed from time to time.
- (ii) Disclose their other significant commitments to the Board before appointment, with a broad indication of the time involved.
- (iii) Inform the Board of any subsequent changes.

A Non-Executive Director should seek the agreement of the Chairman before accepting additional commitments that might impact on the time he or she would be able to devote to the role as a director of the Company.

3. Duration

Non-Executive Directors are appointed for an initial term of three years. The term may be renewed if both the director and the Board agree. Appointments are subject to the provisions of the Companies Act and the articles of association, including those relating to election/re-election by the Association Members at annual general meetings and the removal of directors. No compensation for lost fees is payable if a director leaves office for any reason.

4. Independence

As recommended in the QCA corporate Governance Code, the Board will identify in the annual report each Non-Executive Director it considers to be independent.

The Board will determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The Board will state its reasons if it determines that a director is independent notwithstanding the existence, of relationships or circumstances which may appear relevant to its determination, including if the director:

- Has been an employee of the Company or group within the last five years.

- Has, or has had within the last three years, a material business relationship with the company either directly, or as a partner, Association Member, director or senior employee of a body that has such a relationship with the company.
- Has received or receives additional remuneration from the Company apart from a director's fee.
- Has close family ties with any of the Company's advisers, directors or senior employees.
- Holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; or
- Has served on the Board for more than nine years from the date of their first election.

In the event that the Board agrees to retain or recruit Non-Executive Directors who do not meet the independence criteria, in order to achieve the appropriate balance between independence and relevant industry experience on the Board, where this would mean that the board composition no longer has a majority of independent Non-Executive Directors, the annual report will include an explanation of the appointment.