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Pendragon PLC

Roles and Responsibilities of the Chairman and Chief Executive

The company's Articles of Association provide for the business of the company to be managed by the board of directors, subject to the provisions of the Companies Acts, the memorandum and articles and special resolutions of the company in general meeting. Further, the board may entrust to any director any of its powers, authorities and discretions, upon and subject to such terms and conditions as the board thinks fit.

The positions of Chairman and Chief Executive are two distinct positions, each with their own areas of responsibility, conferred by and accountable to the board as a whole. The positions are occupied by separate individuals. This statement is by way of clarification of their respective responsibilities and does not amend or qualify the general duties of the position-holder as a director (whether under the Companies Acts or at law) or to take decisions objectively in the interests of the company.

Chairman

The Chairman is responsible for the good governance of the company and the effective operation of the board and its committees. In discharging this responsibility, the Chairman:

- ensures the composition of the board reflects the skills, attributes and experience appropriate to the company's existing and planned business operations;
- provides leadership, ensuring its agenda is appropriate to known and anticipated developments affecting its business;
- ensures directors receive accurate, timely and clear information;
- ensures channels are in place for effective communication with shareholders on the company's performance and policies including (but not limited to) remuneration policy, share schemes and incentives and corporate governance;
- facilitates the effective contribution of non-executive directors, in particular ensuring that there exist constructive relationships between executive and non-executive directors;
- ensures that a full, formal and tailored induction of new board members is conducted

- ensures that directors continually update their skills and knowledge and familiarity with the company to enable them to fulfil their role on the board and on board committees.

The role of Chairman is a non-executive position.

The Chairman is expected to devote such time to his role as is requisite for him to satisfy himself that the board is functioning effectively, the company is carrying out the strategy set by the board and the executive is conducting the company's business on the bases and in accordance with the principles set out by the board.

Whilst the Chairman holds himself available at all times for contact with major shareholders, unless specifically requested to participate in discussions or to provide information or explanations, the Chairman will, when approached, refer enquiries to the Chief Executive, or, if the matter concerns his performance as Chairman or other matters with which it is not appropriate for him to deal, to the senior independent non-executive director.

Chief Executive

The Chief Executive is responsible for the implementation of the strategy set by the board for the company's business. In discharging this responsibility the Chief Executive:

- ensures that the company has in place senior executives of such disciplines, skills and experience as are required to implement the company's strategy and to identify and effectively respond to the opportunities and challenges which present from time to time;
- ensures that all appropriate mechanisms are in place effectively to report on the company's actual and forecast performance against its objectives and on the implementation of its strategy;
- sets and monitors the achievement of objectives for
 - senior executives and their contribution for the company's business; and
 - business units and their performance,
 ensuring that such objectives support the company's overall business strategy;
- conducts communications with shareholders on the company's performance, ensuring that major shareholders have the opportunity for regular dialogue with the company on issues of concern to them and, in particular, that any changes in policy or strategy are effectively articulated to shareholders;
- provides leadership to the company's employees by establishing and maintaining measures which attract, retain and motivate suitable employees and which promote and reward their successful development of skills and attributes to contribute to the company's success.