

CIVIL SERVICE MOTORING ASSOCIATION

TERMS OF REFERENCE OF THE CSMA BOARD OF DIRECTORS

June 2021

Meetings:

Proceedings of the Board of Directors are governed by the Articles of the CSMA.

The Board shall normally meet at least five times a year.

Powers of the Board:

In managing the Association, the CSMA Board may exercise all the powers of the Company, subject to any relevant laws and regulations and to the Articles of Association.

The Board may delegate and confer on any directors holding executive office any of its powers, authorities and discretions (including the power to sub-delegate) for such time and on such terms as it thinks fit. In addition, the Board may delegate any of its powers, authorities and discretions for such time and on such terms as it thinks fit to any committee consisting of one or more directors.

Duties:

The CSMA Board is collectively responsible for the long-term success of the CSMA and ensuring that it is run in the best interests of its members as a whole.

The Board sets the strategy for the CSMA and its subsidiaries ("the Group") and approves strategic, capital and operating plans presented by management for the achievement of the strategic objectives it has set.

1. Group strategy and management

- 1.1 Responsibility for overall strategic management and long-term success of the Group
- 1.2 To formulate and approve the Group's long term objectives and strategy
- 1.3 To approve major changes to the Group's governance and control structure
- 1.4 To approve extension of the Group's activities into new business or geographic areas

2. Financial and internal controls

- 2.1 Oversight of the Group's operations ensuring:
 - competent and prudent management

**Delegated to/reviewed by a Committee of the Board*

- sound planning
- an adequate system of internal control
- adequate accounting and other records

- 2.2 To approve the Group's annual budgets, strategic and business plans
- 2.3 To review and approve Group financing, banking and treasury policies*
- 2.4 To ensure maintenance of a sound system of internal control and risk management*
- 2.5 To approve the Annual Report and Accounts including the corporate governance statement and remuneration report
- 2.6 To approve any significant change in accounting policies/practices*
- 2.7 To approve the remuneration of the auditors and recommendations for the appointment or removal of auditors*
- 2.8 Monitor the performance of the Group businesses against plan and budget
- 2.9 To approve any capital expenditure with a value of £250k or more.

3. Board Membership, Remuneration and Committees

- 3.1 To appoint up to two independent non-executive directors.
- 3.2 To approve the remuneration of the non-executive directors to be recommended by the Remuneration Committee'
- 3.3 To approve remuneration policy and structure, including bonus and long-term incentive plans for the executive directors.
- 3.4 To approve targets for executive director performance related pay schemes.
- 3.5 To ensure adequate succession planning for the board and executive management.
- 3.6 To set terms of reference for and membership of the Committees of the Board and receive reports as appropriate.
- 3.7 The board will have a Remuneration, Nomination and Audit and Risk Committee.
- 3.8 The board will nominate one or more non-executive directors to the boards of the groups operating subsidiaries.

**Delegated to/reviewed by a Committee of the Board*

3.9 The board may form adhoc Committees as necessary.

4. Compliance

4.1 To ensure regulatory and legal compliance.

4.2 To act consistently within the rules and principles of the Financial Conduct Authority in respect of the regulated business and entities of the Association.

5. General Meetings

5.1 To approve resolutions and documentation being put to members at a general meeting

6. Contracts

6.1 To approve any material business acquisition or disposal

6.2 To approve contracts with a value of £250,000 or more

7. Corporate governance matters

7.1 Annually to review its own performance and that of its committees and individual directors.

8. Other

8.1 To approve overall levels of insurance for the Group and major changes to the Group's insurance programme

8.2 To review and approve the Group's health and safety policy, risk management and crisis management strategy

8.3 To approve major changes to the CSMA's pension scheme arrangements

8.4 To approve Board Minutes

8.5 To consider any other matters put to the Board by any director or the Company Secretary