

PARLIAMENT HILL LTD

TERMS OF REFERENCE OF THE PARLIAMENT HILL BOARD OF DIRECTORS

June 2021

Context:

Parliament Hill (“PH”) is a subsidiary of the Civil Service Motoring Association Ltd. (“CSMA”). The company is FCA authorised and as such has the legal duty to act in accordance with the rules and principles of the Financial Conduct Authority as well as acting in accordance with Company Law and all other appropriate laws and regulations.

As a fully owned subsidiary of CSMA the overall commercial objectives of PH are steered by the parent company which has overall responsibility for the strategic direction of the group of companies. The commercial arrangement with CSMA is that in addition for being a wholly owned subsidiary, PH also incurs a management fee for services provided by CSMA and its’ subsidiaries, such as providing executive services and support staff. As such PH has operational responsibility to decide upon the strategy, operating processes, controls and regulatory environment for PH. PH and its Directors have the sole legal responsibility for compliance with FCA regulations.

Meetings:

Proceedings of the Board of Directors of Parliament Hill Ltd (“PH”) are governed by the Articles of Association of PH. The PH Board shall meet at least four times a year.

Powers of the Board:

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

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

Duties:

The PH Board is collectively responsible for the long-term success of PH.

The Board, with the input of the CSMA board, sets the strategy for PH and approves capital and operating plans presented by management for the achievement of the strategic objectives it has set.

1. Strategy and management

- 1.1 Responsibility for overall management and long-term success of PH
- 1.2 To formulate and approve PH's long-term objectives and strategy after considering the overall CSMA strategy
- 1.3 To receive services from CSMA, the parent company and other companies within the group.
- 1.4 There will be a minimum of one but no maximum of Directors, of which one must be a non-Executive Director.
- 1.5 A quorum is two Directors.
- 1.6 The Chairman of the board will be an appointed NED.

2. Financial and internal controls

- 2.1 Oversight of PH's operations ensuring:
 - competent and prudent management and sound planning
 - an appropriate system of internal control
 - appropriate accounting and other records
- 2.2 To approve PH's annual budgets and business plans
- 2.3 To ensure maintenance of a sound system of internal control and risk management
- 2.4 To approve PH's Annual Report and Accounts including the corporate governance statement and remuneration report
- 2.5 To approve any significant change in accounting policies/practices
- 2.6 To approve the remuneration of the auditors and recommendations for the appointment or removal of auditors in agreement with CSMA Board
- 2.7 Monitor the performance of PH's businesses against plan, budget and forecasts
- 2.8 To approve any capital expenditure or contract with a value of £50k or more. Capital expenditure or contracts with a value of £250k or more will require CSMA board approval or delegated authority.
- 2.9 To monitor and ensure that due diligence contractual processes are followed, particularly in respect of financial, compliance, legal and regulatory requirements.

3. Board Membership, Remuneration and Committees

- 3.1 To appoint directors. The shareholder can remove a Director but cannot appoint one.
- 3.2 To ensure adequate succession planning for the board and senior management.
- 3.3 To approve the appropriate division of responsibilities between the executive and non-executive directors.
- 3.4 To set terms of reference for and membership of the Committees of the PH Board and receive reports as appropriate

4. Corporate governance, compliance and regulatory matters

- 4.1 To act within the rules and principles of the Financial Conduct Authority.
- 4.2 To meet all the companies legal and regulatory obligations. These include, but are not limited to the FCA, Health and Safety legislation, the Companies Act, Data Protection, taxation and accounting law and rules and employment law.
- 4.3 To ensure that there are thorough processes and controls to ensure that all legal, regulatory and compliance obligations are met.
- 4.4 To review and approve PH's risk management strategy
- 4.5 To review and approve PH's policies

5. Other

- 5.1 To approve the prosecution, defence or settlement of litigation involving claims that are material to the interests of PH.
- 5.2 To approve overall levels of insurance for PH and major changes to PH's insurance programme.
- 5.3 To approve PH Board Minutes.
- 5.4 To consider any other matters put to the PH Board by any director or the Company Secretary.
- 5.5 Have responsibility for PH policy and operations regarding technology, legal and other operating matters.
- 5.6 To review Board performance annually.