

THE CIVIL SERVICE MOTORING ASSOCIATION LTD
TERMS OF REFERENCE OF: THE BOARD OF DIRECTORS

Definitions

1. In this document:

- “Articles”** means the Articles of Association of the Association
- “the Association”** means the Civil Service Motoring Association Ltd
- “the Board”** means the Board of Directors of the Association
- “Group”** means the Association and its subsidiaries from time to time
- “Group Company”** means a company that is a member of the Group from time to time
- “members”** means persons who are members of the Association

General Responsibilities

2. The Board is collectively responsible for the long-term success of the Group and ensuring that it is run in the best interests of members as a whole.
3. The Board sets the strategy for the Group and approves strategic, capital and operating plans presented by management for the achievement of the strategic objectives it has set.
4. The Board monitors and oversees the Group’s operations, ensuring competent and prudent management, sound planning, proper procedures and systems of internal control and compliance with statutory and regulatory obligations.

Specific Responsibilities

5. The Board has the specific responsibilities set out in the Appendix to these Terms of Reference.

Companies Act Duty

6. The Board acknowledges that section 172 of the Companies Act 2006 requires each member of the Board to act in the way they consider, in good faith, would be most likely to promote the success of the Association for the benefit of its members as a whole, and in doing so to have regard (amongst other matters) to:
- (a) the likely consequences of any decision in the long term,
 - (b) the interests of the Association’s employees,
 - (c) the need to foster the Association’s business relationships with suppliers, customers and others,

- (d) the impact of the Association's operations on the community and the environment,
- (e) the desirability of the Association maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the Association.

Powers of the Board

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

Delegation

8. Subject to paragraph 9 below ('Matters reserved for the Board'), the Board may delegate and confer on any director or other person 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 particular:
- (a) The Board delegates day-to-day management of the business of the Group to the Chief Executive Officer in accordance with such policies and directors as the Board may from time to time determine.
 - (b) 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 of the Board that consists of two or more of the Association's directors.

Matters reserved for the Board

9. The following matters require approval of the Board:
- (a) The Association's strategy and any changes to it.
 - (b) The Association's annual budget and any significant changes to it.
 - (c) Approval of the Association's annual report and accounts.
 - (d) The appointment or removal of the Association's auditors.
 - (e) The Terms of Reference of the Board and its Committee and any changes thereto.
 - (f) Any Code of Conduct for members of the Board or members of the Association and any changes thereto.

Composition of the Board

10. The composition of the Board and the appointment and removal of directors is governed by the Articles.

Board Meetings

11. Proceedings of the Board of Directors are governed by the Articles.
12. The Board shall meet sufficiently regularly to discharge its duties effectively. It is expected that the Board shall normally meet at least five times a year.
13. Non-directors may be invited to attend a meeting of the Board at the discretion of the person chairing the meeting in question.
14. Minutes of the Board shall be minuted, including recording the names of those present and in attendance. The minutes shall be circulated to all members of the Board and the Company Secretary unless, exceptionally it would be inappropriate to do so (for example, when matters personal to an individual director were discussed).

Non-directors

15. Individuals who are not directors of the Association may be invited to attend and speak at meetings of the Board or at meetings of any committee of the Board on a regular or ad hoc basis. However, they shall not be entitled to vote on any resolution put to the Board or relevant committee.

NED Performance Reviews

16. The Association Chair shall conduct a performance review for each non-executive director of the Association annually and provide appropriate feedback to them. Another non-executive director will conduct a performance review of the Association Chair (on behalf of the Board) annually and provide appropriate feedback to them.

Date approved by the Board:

2023

THE APPENDIX

SPECIFIC RESPONSIBILITIES OF THE CSMA BOARD

Group strategy and management

- (1) Responsibility for overall strategic management and long-term success of the Group
- (2) To formulate and approve the Group's long term objectives and strategy
- (3) To approve major changes to the Group's governance and control structure
- (4) To approve extension of the Group's activities into new business or geographic areas

Financial and internal controls

- (5) Oversight of the Group's operations ensuring competent and prudent management, sound planning, an adequate system of internal control and adequate accounting and other records.
- (6) To approve the Group's annual budgets, strategic and business plans.
- (7) To review and approve Group financing, banking and treasury policies (delegated to the Audit & Risk Committee).
- (8) To ensure maintenance of a sound system of internal control and risk management (delegated to the Audit & Risk Committee).
- (9) To approve the Annual Report and Accounts including the corporate governance statement and remuneration report.
- (10) To approve any significant change in accounting policies/practices (delegated to the Audit & Risk Committee).
- (11) To approve the remuneration of the auditors (on behalf of the Board) and make recommendations to the Board for the appointment or removal of auditors.
- (12) Monitor the performance of the Group businesses against plan and budget.
- (13) To approve any capital expenditure with a value of £250k or more.

Board Membership, Remuneration and Committees

- (14) To appoint up to two independent non-executive directors of the Association.
- (15) To review and (if thought fit approve) recommendations from the Remuneration Committee.
- (16) To approve remuneration policy and structure, including bonus and long-term incentive plans for the executive directors.
- (17) To approve targets for executive director performance related pay schemes.

- (18) To ensure adequate succession planning for the Board and executive management.
- (19) To set terms of reference for and membership of the committees of the Board and receive reports as appropriate.
- (20) The Board will nominate one or more non-executive directors to the Boards of the Group's operating subsidiaries.
- (21) To decide upon the level of remuneration of individuals who serve as non-executive directors of the Association or any of its subsidiaries.

Ethos and Values

- (22) To establish the Association's ethos and values and satisfy itself that these and its culture are aligned. Where the Board is not satisfied that policy, practices or behaviour throughout the Group are aligned with the Association's ethos and values, it should seek assurance that management is taking corrective action.

Stakeholder Engagement

- (23) To seek regular engagement with stakeholders (including members and employees).

Staff concerns - Whistleblowing

- (24) To ensure there is a means for staff to raise concerns in confidence and – if they wish – anonymously. The Board should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

Environmental, Social and Governance (ESG)

- (25) To oversee the Group's strategies, goals and commitments related to sustainability and ESG, including those relating to: (i) climate risks and opportunities; (ii) the Group's progress to reduce emissions and pollution; (iii) waste management and reduction; (iv) biodiversity and land use; (v) energy and resource efficiency; (vi) human rights; (vii) supply chain management; (viii) health and safety; (ix) diversity, equity and inclusion; and (x) business ethics, anti-bribery and corruption.
- (26) To ensure that the Group's sustainability and ESG priorities are reflected in its culture by alignment with the Association's strategy, ethos and values.
- (27) To monitor current trends and developments to identify: (i) emerging sustainability and ESG risks, applicable laws, rules, regulations and voluntary frameworks and initiatives; and (ii) key developments in the sustainability and ESG regulatory landscape of relevance to the Group.

Compliance

- (28) To ensure regulatory and legal compliance.

- (29) To act consistently within the rules and principles of the Financial Conduct Authority in respect of the regulated business and entities of the Group.

General Meetings

- (30) To approve resolutions and documentation being put to members at a general meeting (including proposed changes to the Articles).

Contracts

- (31) To approve any material business or asset acquisition or disposal by any company in the Group (i.e. an acquisition or disposal of a business or asset for a price in excess of £1 million).
- (32) To approve contracts with a value of £250,000 or more.

Board review, evaluation and skills audits

- (33) Annually to review its own performance and that of its committees and individual directors.
- (34) To commission an externally-facilitated Board evaluation every 3 to 5 years.
- (34) To carry out skills audits every 2 to 3 years or when there is a vacancy on the Board or a director is due to leave to the Board.

Other

- (35) To approve overall levels of insurance for the Group and major changes to the Group's insurance programme.
- (36) To review and approve the Group's health and safety policy.
- (37) To review the Group's risk assessment and management arrangements.
- (38) To review the Group's crisis management and disaster recovery plans.
- (39) To approve major changes to the Group's pension scheme arrangement.
- (40) To approve Board Minutes.
- (41) To consider any other matters put to the Board by any director or the Company Secretary.