

STOCKPORT CREDIT UNION BOARD TERMS OF REFERENCE

GENERAL

- 1.1 The Stockport Credit Union is a member owned financial co-operative democratically owned by its members. The Board of Directors of the Stockport Credit Union (the "Board") is the organisations governing body.
- 1.2 The Board is responsible for the direction and management of the business in the fulfilment of its strategic objectives and in compliance with the Credit Union's Rules, any applicable legislation or regulation and the Credit Union's policies, principles and values.
- 1.3 The Board may exercise all those powers of the Credit Union that are not, by legislation, regulation or by the Rules, required to be exercised by the Credit Union at an Annual General Meeting (AGM) or Extraordinary General Meeting (EGM).

2.0 MEMBERSHIP

- 2.1 The Board shall have a minimum of five Directors and a maximum as determined by the Members at the AGM from time to time.
- 2.2 Designated Representatives or representatives of Corporate Members may be elected as a Director, but at no time will the percentage of Designated Representatives and Corporate Members elected to the Board exceed 15% of the total number of Directors.
- 2.3 The Board may request the presence, at any of its meetings, of any Employees of the Credit Union as it may decide.

3.0 MEETINGS

- 3.1 The Board may make, vary or revoke regulations for the conduct of business at its meetings.
- 3.2 The President (Chairperson) of the Credit Union (or in their absence, the Deputy President (Vice-Chairperson) will chair each meeting. In the case, of the absence of the Chairperson and the Vice-Chairperson) the members present will elect one of their number to chair the meeting.
- 3.3 The Board will normally meet monthly (or as many times as it may otherwise determine) on fixed dates each year (Regular Meetings). Wherever possible the dates of the Regular meetings for each year will be fixed in advance.
- 3.4 The date, time or place of any meeting will not be changed without all Directors being given at least one week's notice of any such revision.
- 3.5 If it is necessary to call a meeting of the Board in addition to the Regular meetings (an Additional Meeting), the Chairperson or in their absence the Vice-Chairperson shall do so on receipt of a request in writing signed by at least three Directors. The Chairperson, or in their absence the Vice-Chairperson, shall determine the date, time and place of such a meeting, unless the Board prescribes otherwise by Resolution.
- 3.6 Notice of Additional Meetings need not be in writing but must indicate:
 - 3.6.1 The subject matter of the meeting;
 - 3.6.2 The proposed date, time and venue; and
 - 3.6.3 If it anticipates that Directors participating in the Additional meeting will not be in the same place, how it is proposed that they should communicate with each other.

- 3.7 Notice of an Additional Meeting need not be given to a Director who waives his or her entitlement to notice of that meeting, by giving notice to that effect to the Credit Union. The receipt of any such notice does not affect the validity of the meeting, or any business conducted at it.
- 3.8 A quorum will consist of the Directors. Directors may be present in person or through any other means of communication but to count towards a quorum, Directors must be able, fully, to hear and participate in the Board's proceedings.
- 3.9 The content of the Agenda for each meeting shall be drafted by the Secretary of the Credit Union in a form agreed from time to time with the Chairperson.
- 3.10 The Agenda and papers for each meeting of the Board will be submitted under the authority of the Chairperson and will be circulated to Directors at least one week prior to the meeting. Papers not complying with these requirements will not be tabled at the meeting except with the prior approval of the Chairperson.
- 3.11 The Chairperson may vote on any issue as an ordinary member of the Committee. If, having done so, the voting is level; he may, if he so decides, exercise an additional casting vote to decide the issue.
- 3.12 The Secretary of the Credit Union or his nominee as appointed by the Chairperson will act as Secretary to the Board. The Secretary to the Board is responsible for producing Minutes of the Board meetings. The Minutes will be passed to the Chairperson of the Board and circulated to all Board members and appropriate attendees within two weeks unless otherwise agreed.

4.0 DECISIONS TAKEN OUTSIDE BOARD MEETINGS

- 4.1 The Board may make decisions outside meetings provided all Directors sign a copy of a document setting out the decision being made.
- 4.2 When urgent decisions are to be taken by the Board which the Chairperson determines should not be deferred until the next scheduled meeting and are not capable of being dealt with as described above, the Chairperson and two other Directors may make the decision. Before taking any such decision the Chairperson should ensure that all Board members are consulted whenever possible, by whatever means of communication the Chairperson feels to be appropriate. Any decision taken under this Term of Reference must be reported for ratification at the next scheduled Regular Meeting of the Board and the extent of consultation and views expressed by Directors other than those taking the decision must be recorded in the Minutes.

5.0 BOARD POWERS RESPONSIBILITIES AND DUTIES

Without prejudice to its power to exercise all those powers of the Credit Union that are not, by legislation, regulation or by the Memorandum and Articles of Association, required to be exercised by the Credit Union at its AGM, the Board has the responsibility for the discharge of all of the matters reserved for it in the Matters Reserved attached to these Terms of Reference as Appendix I and as amended by the Board from time to time.

6.0 AUTHORITY

- 6.1 The Board is authorised to seek any information it requires from any Employee of the Credit Union in order to perform its duties.
- 6.2 A Non-Executive Director is authorised to obtain, at the Credit Union's reasonable expense, outside legal or other professional advice on any matters within its terms of reference, subject to the approval of the Chairperson.

7.0 DELEGATION

The conduct of the day-to-day business of the Credit Union will be delegated to the General Manager subject at all times to the Memorandum and Articles of Association, applicable legislation and regulation, Matters Reserved by the Board, delegation by the Board to its Committees, and the Credit Union's Policies and Procedures.

8.0 COMMITTEES AND WORKING GROUPS

8.1 The Board shall establish and maintain an Audit Committee, a Nominations Committee, a Risk Committee, a Development Committee, a Supervisory Committee and a Credit Committee. These Committees shall have clear Terms of Reference which must be approved by the Board. Any revisions to such Terms of Reference must also be approved by the Board.

8.2 The Board may also establish Committees to which it can delegate any part of its responsibilities. Each such Sub-Committee shall have clear Terms of Reference and these must be agreed by the Board. Any revisions to such Terms of Reference must also be approved by the Board.

8.2 The Chairperson has the right to attend every Committee meeting, except meetings of the Audit Committee, which he shall attend on an ex-officio basis.

9.0 CHANGES IN CIRCUMSTANCES AND OTHER INTERESTS

9.1 The Board will adhere to the Rules of the Credit Union and all relevant legislation.

9.2 All Directors are required to notify the Secretary of the Credit Union of all other bodies in which they have a significant interest or of which they are an Employee, Director, Partner, Trustee or for which they perform a similar role.

9.3 Whenever a Director finds himself or herself in a situation that is reasonably likely to give rise to a Conflict of Interest, he or she must declare his or her interest to the Directors unless, or except to the extent that, the other Directors are or ought reasonably to be aware of it already.

9.4 If any question arises as to whether a Director has a Conflict of Interest, the question shall be decided by a majority decision of the other Directors.

9.3 All declarations of conflicts of interest shall be recorded in the Minutes of the meeting.

9.4 Whenever a Director has a Conflict of Interest in the subject matter under discussion then he or she shall:

9.4.1 Remain only for such part of the meeting as in the view of the other Directors is necessary to inform the debate;

9.4.2 Not be counted in the quorum for that part of the meeting; and

9.4.3 Withdraw from the meeting during the vote and have no vote on the matter.

9.5 When a Director has a Conflict of Interest which he or she has declared to the Directors, he or she shall not be in breach of his or her duties to the Credit Union by withholding confidential information from the Credit Union if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her.

9.6 All Directors are required to notify the Secretary of the Credit Union of any changes in circumstances which may affect their ability to perform their role as a Director of the Credit Union.

10. MONITORING

The Board will:

- a) Periodically review these Terms of Reference and make any necessary amendments.
- c) Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

Approved by the Board 15 August 2017

APPENDIX I

Matters reserved for the Board

Strategic

Agree and approve changes to the Credit Union's Vision, Mission Statement and Values

Review and approve the Credit Union's Strategic Plans

Review and approve the Credit Union's annual Business Plans and operating and capital expenditure budgets

Agree the overall Risk Appetite for the Credit Union

Structure and capital

Approve all matters to be put to delegates at the Annual General Meeting

Recommend changes to Rules at the AGM

Determine size structure and composition of the Board in accordance with the Rules

Monitor the effectiveness of governance structures

Financial Reporting and Controls, Appointments and remuneration

Appoint and review the performance of the General Manager

Elect the Chairperson and the Vice-Chairperson and members of the Credit Union's Committees

Determine the Board Succession Plan

Determine the remuneration of the General Manager and agree annual pay awards for staff

Approve the expenses of Non-Executive Directors

Member relations

The management of the Credit Union's capital and reserves

Agree significant changes to Accounting Policies

Approve the Annual Report and Accounts

Board membership and other appointments

Agree all policies and ensure compliance with them

Undertake a formal and rigorous review annually of the Board's own performance, that of its Committees and of individual Directors

Monitor the performance of the Credit Union against its objectives and the Strategic and Annual Plans

Agree the Key Performance Indicators used to monitor performance and ensure that they remain appropriate

Agree the appointment of the External Auditors and their fees

Approve the annual Risk Monitoring Plan

Establish and approve Terms of Reference for Sub-Committees and any amendments to those Terms of Reference

Receive reports from the Sub-Committees

Appoint External Auditors for non-audit work

Review the Risk framework of the Credit Union

Review and approve the Anti-Bribery policy

Oversee the Credit Union's systems of internal control, inspection and report

Corporate governance matters

Ensure the Credit Union complies with all Legislation and Regulation

Approve changes affecting the performance of the FCA's Senior Management Regime

Other

All matters concerning the Credit Union's Pension Scheme

Approve the levels of Insurance cover including Directors & Officers Liability cover

Authorise the execution on behalf of the Credit Union of all forms and other necessary documents