

**1.0 GENERAL**

The Board of Directors is the governing body of the Ancient Order of Foresters Friendly Society Ltd and conducts its business in accordance with the Rules of Foresters Friendly Society and the Principles and Code of Conduct document.

**2.0 LEGAL STATUS**

The Ancient Order of Foresters is a registered Friendly Society and must ensure that the Society achieves its objectives within the relevant legal framework and in compliance with the requirements of the Financial Services Authority.

In this respect each Director will receive and be expected to be familiar with the context of the Society's document entitled 'Principles and Code of Conduct'.

The Directors have responsibilities as Non Executive Directors or Executive Directors and are Approved Persons under the Financial Services Authority Regulations. In this respect each Director will receive and be expected to be familiar with the Code of Practice for Approved Persons as issued by the FSA.

**3.0 MISSION AND VALUES OF FORESTERS FRIENDLY SOCIETY**

The Foresters Friendly Society has adopted a mission and values statement. The Board will seek to ensure that the Society follows that mission and upholds the values.

**4.0 THE FORESTERS FRIENDLY SOCIETY'S OBJECTIVES**

The Foresters Friendly Society has agreed strategic objectives and the Board will seek to monitor performance against these.

## 5.0 MAIN FUNCTIONS AS SET OUT IN THE RULES

The following functions are set out in the Society's rules and cannot be delegated:

- i) The business of the Society and any business which the Society proposes to carry on shall be under the direction and overall supervision of the Board.
- ii) The Board may exercise all those powers of the Society that are not, by the Legislation or by the Rules, required to be exercised by the Society at an Annual General Meeting or Special General Meeting.
- iii) No Rule or alteration to a Rule made by the Society at an Annual General Meeting or Special General Meeting shall invalidate any act of the Board prior to the date on which the Rule or alteration takes effect and which would have been valid if that Rule or alteration had not been made.
  - a. The Board shall, in respect of the direction and management of the affairs and business of the Society, comply with all relevant provisions of the Legislation.
  - b. Subject to the Rules, the Board:
    - i. shall supervise the activities of any Controlled Body (as defined in the Society's Rules);
    - ii. may make, vary or revoke regulations for the conduct of business at its meetings, including but not limited to:
      1. frequency and notice of meetings;
      2. voting rights, including casting votes;
      3. special meetings; and
      4. minutes of meetings;
    - iii. may from time to time recommend for determination at the Annual General meeting the remuneration of Non Executive Directors.
    - iv. May pay the expenses of the Directors.
    - v. may pay the expenses of the Society and such sums as it may deem necessary or expedient to be paid in the interests of the Society;

- vi. may make, vary or revoke regulations for the conduct of the business of the Society, provided that the same are not inconsistent with the Rules, the Memorandum or the Legislation;
  - vii. may authorise the use of all forms, instruments and other documents that it may deem necessary for the proper conduct of the business of the Society;
  - viii. may delegate any of its powers, duties, discretion and authorities relating to the business of the Society to:
    - 1. one or more Director or employees of the Society; or
    - 2. sub-committees consisting of such Directors, Court Officers and/or employees of the Society as it thinks fit.
  - ix. may invest the Funds in the manner authorised by the Memorandum, the Rules or under the Legislation; and
  - x. may from time to time appoint, and change the appointment of, the Head of Actuarial Function to perform the duties required by the Legislation and on such terms as the Board shall from time to time decide.
- c. The Board shall not:
- i. sit as Delegates at the Annual General Meeting nor be entitled to vote thereat (the Chairman's casting vote when necessary excepted), but shall on behalf of the Board have the same rights as Delegates with regard to Propositions and speaking upon the business brought before the Annual General Meeting; or
  - ii. be eligible to serve as Arbitrators during their term of office.
- d. All acts done by the Board, or any sub-committee, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the constitution of the Board or sub-committee or in the election or re-election or appointment of a Director or sub-committee or person acting as aforesaid, or that person was disqualified from holding office or was not entitled to vote, be as valid as if the Director or sub-committee had been properly constituted and as if every such person had been duly elected or reelected or appointed or

entitled to vote and, where appropriate, was qualified and had been a Director.

- e. Subject always to the right of a Member or person to refer any dispute to arbitration under Rule 32, the decision of the Board on whether or not to make an ex-gratia payment or as to the amount of any forfeit shall be final and binding.
- f. The Board may, subject to the Legislation and the Rules, regulate its proceedings as it thinks fit.
- g. The quorum for the transaction of the business of the Board may be fixed by the Board at any number not less than five and unless so fixed shall be five.
- h. The Board shall be responsible for the publication and distribution of the Miscellany.

## **6.0 ADDITIONAL RESPONSIBILITIES**

- 6.1 Election of Chairman and appointment of officers, committees.
- 6.2 Ensure that the overall policies and governing principles of Foresters Friendly Society are reviewed regularly and kept up to date in the light of changing circumstances.
- 6.3 Ensure that the Foresters Friendly Society commences each financial year with an approved Business Plan, and Capital and Revenue Budgets for the Society. To monitor and review the Plan and budget as necessary and approve any significant changes outside delegated authority.
- 6.4 Sit as a with-profits Committee.
- 6.5 Review the operational structure of the Foresters Friendly Society both in terms of the staffing and Sub-Committee arrangements.
- 6.6 Approve all changes to staff holding approved person status.
- 6.7 Approve the salary structure for the Society and to ensure that this is regularly reviewed in order to fulfil its obligations and responsibilities as employer.
- 6.8 Agree and review policies for Investment Strategy and Principles and Practices of Financial Management (PPFM).

6.8 Review and agree policy on Equal Opportunities and other relevant legislation.

6.9 Review all Sub-Committee's effectiveness and membership annually together with the Terms of Reference.

## **7.0 MONITORING**

7.1 The Board shall monitor the overall performance of the Society. This performance monitoring should focus on overall strategic issues and the effectiveness of the Society in meeting its objectives as set out in the Strategic Plans and other policy documents, eg Equal Opportunities.

7.2 The Board shall receive and consider all Key Performance Information (KPI) that it considers adequate to monitor the Society's performance.

7.3 The Board will review the adequacy of KPI's on an annual basis.

7.4 At least one meeting, or part thereof, per-year will be held without the Executive Directors being present.

## **8.0 DELEGATION**

The day-to-day business of the Society shall be delegated to the staff led by the Chief Executive and Management Team. This is controlled by the following documents:

- i) Decisions reserved for the Board
- ii) Authorities Matrix
- iii) Content of PPFM
- iv) Corporate Policies and Procedures Manual.

Approved by the Board 29 October 2008

**1.0 MEMBERSHIP**

- 1.1 The Board shall consist of not more than 13 persons (of whom not more than the number determined in accordance with Rule 11.2 shall be Non Executive Directors and not more than four shall be Executive Directors). The size of the Board may be determined by the Society at its Annual General Meeting.
- 1.2 The Chairman and Deputy Chairman of the Board shall be elected annually at the first Board meeting following the AGM. The Chairman has the right to attend every Committee that is appointed by the Board with the exception of the Audit Committee.
- 1.3 Each person on the Board must be elected, co-opted or an Executive employee of the Society and be of Approved Person status in accordance with the Financial Services Authority.
- 1.4 Any member who fails to attend 3 consecutive meetings of the Board without obtaining special approval for leave of absence from the Board will be deemed to have resigned from the Board.
- 1.5 The Chief Executive will be appointed as a Director and subject to approval at the Annual General Meeting.
- 1.6 The Chief Executive shall attend all meetings of the Board. The Officers attending have the right to speak and have their views minuted.
- 1.8 The Board may request the presence of any other members of staff as appropriate

**2.0 QUORUM**

A quorum shall consist of 5 (five) members of the Board.



### **3.0 BOARD PAPERS AND MINUTES**

- 3.1 The Agenda for each meeting shall be drafted by the Company Secretary for discussion by the Management Team prior to seeking approval by the Chairman of the Board. The Agenda will separately identify items for decision referred by other Sub-Committees and other items of information. The latter will include the Minutes of the other Sub-Committees in the Society.
- 3.2 Papers for each meeting of the Board shall be submitted under the authority of the Chairman, Deputy Chairman, Chief Executive or other members of the Management Team only and shall be circulated to Directors at least one week prior to the meeting. Papers will not be tabled at the meeting except with the prior approval of the Chairman.
- 3.3 The Company Secretary is responsible for producing minutes of the Board meetings. The minutes will be passed to the Chairman of the Board not later than 2 weeks after the date of the meeting for approval prior to circulation.

### **4.0 PERFORMANCE INFORMATION**

- 4.1 Key performance information will be distributed by the Company Secretary. Its purpose is to provide all members with performance information concerning identified key activity areas as part of the monitoring process. Directors may raise questions arising from the Performance Report directly with the Executive Directors, or at the appropriate Board meeting as required.

### **5.0 MEETINGS**

- 5.1 The Board shall normally meet upto twelve times each year or as the Board may determine and the date of each meeting shall not be changed without at least one week's notice being given of the revised date.
- 5.2 The Board shall receive papers to enable them to consider matters of overall policy, performance, procedure and organisation.
- 5.3 In the event of a tied vote, the Chairman of the meeting shall have the casting vote.
- 5.4 All meetings of the Board shall normally commence at 9.00 am or as arranged.

## **6.0 CONFLICTS OF INTEREST**

- 6.1 The Board shall conduct the business of the Society in accordance with the Conflicts of Interest Policy.
- 6.2 All declarations of conflicts of interest shall be recorded in the minutes of the meeting. They shall also be recorded in the register of interests of Directors and senior staff.

## **7.0 REPORTING TO REGULATORY BODIES**

- 7.1 The Society is required to comply and report to the Financial Services Authority.
- 7.2 In general, this creates various obligations on Directors to notify their involvement with other companies, and particularly if they are involved in company insolvency, personal bankruptcy or have criminal convictions for indictable offences (eg fraud etc). Directors must report any changes in their circumstances in this respect to the Secretary of the Society who will in turn notify the appropriate regulatory body.
- 7.3 All Directors are required to notify the Secretary of the Society of all other bodies in which they have a significant interest.

## **8.0 COMMITTEES AND WORKING GROUPS**

- 8.1 The Board may establish Sub Committees to which it delegates part of its responsibilities. It shall approve appointments to Sub-Committees following the recommendation of the Nominations Committee. Such Sub Committees must have clear Terms of Reference and these must be agreed by the Board.
- 8.2 The agenda and papers for Sub Committee meetings must be circulated at least one week in advance. Papers will not be tabled at the meeting except with the prior approval of the Chairman. Proper minutes must be kept and these must be provided to all Directors for information.
- 8.3 The Board may establish working groups for any purpose to investigate and report back on any particular matter. These will be advisory only. Such groups may be established to advise staff on issues which are within staff delegated authority. Composition of such groups will normally include both staff and members. Whilst formal Terms of Reference are not required, it is important to have a clear statement of purpose and to have agreement with the group on the roles of each Chairman and Secretary where appropriate.

## **9.0 URGENT DECISIONS**

- 9.1 When urgent decisions are required which have to be taken by the Board and which cannot be deferred until the next scheduled meeting, the Chairman should make the decision under Chairman's action. However, before taking such decisions the Chairman should ensure that other Board members are consulted whenever possible, by whatever means of communication are appropriate. The decision must be reported for confirmation at the next scheduled meeting and the extent of consultation and expressed views of other members recorded in the minutes.

Approved by the Board 29 October 2008