

TERMS OF REFERENCE

1 GENERAL

- 1.1 The Membership Committee is a sub-committee of the Board of the Ancient Order of Foresters Friendly Society Limited.
- 1.2 The Membership Committee considers matters in relation to the Membership of the Society and the Society's non-regulated activities.
- 1.3 The Membership Committee reports to the Board of the Society and conducts its business in accordance with the Society's Rules, these Terms of Reference, any applicable legislation or regulation and the Society's policies, principles and values.

2 MEMBERSHIP

- 2.1 Membership and Chairmanship of the Committee will be determined by the Board of the Society taking into account the recommendations of the Nominations and Remuneration Committee and elections at the High Court. The role of Chairman of the Committee and the role of Deputy Chairman of the Committee will be held by the Non-Executive Directors.
- 2.2. The Committee will consist of not fewer than seven members. Up to six members of the Committee may be directly elected by the High Court. They must be members of the Society and they shall be joined on the Committee by the Immediate Past High Chief Ranger, High Chief Ranger, High Sub-Chief Ranger, two Non-Executive Member Directors and the Executive Director or equivalent Senior Manager responsible for Membership. The Committee may co-opt additional member(s) subject to Board approval. The Board reserves the right, in consultation with the Membership Committee, to co-opt a member. Members who are co-opted will serve for a single term to be decided by the Committee but not to exceed three years and subject to Board approval.
- 2.3 Only members of the Committee have the right to attend Committee meetings, but other individuals may be invited to attend whole or part of the meeting if appropriate.
- 2.4 The Committee may request the presence, at any of its meetings, of any employees of the Society as it may decide.
- 2.5 Elected members of the Committee will serve for a period of three years, however a member retiring after serving for three years may, subject to consideration and recommendation by the Nominations and Remuneration Committee, seek re-election at the High Court at which they retire for a second term of three years. A member may be invited by the Nominations and Remuneration Committee to seek re-election for a third three year term. The Immediate Past High Chief Ranger, High Chief Ranger and High Sub-Chief Ranger will serve on the Committee for the period that they hold their presidential office.

3 MEETINGS

- 3.1 The Chairman of the Committee will chair each meeting. In the case of the Chairman's absence, the Deputy Chairman of the Committee will chair the meeting.

- 3.2 The Committee will meet not less than four times a year or as it may otherwise determine.
- 3.3 The date of any meeting will not be changed without all members being given at least one week's notice of the revised date.
- 3.4 The quorum will be three members, at least one of whom must be a directly elected member, provided always that the majority are not Directors of the Board. Committee members may be present in person or through any other means of communication but to count towards a quorum, members must be able, fully, to hear and participate in the Committee's proceedings.
- 3.5 The content of the Agenda for each meeting shall be drafted by the Company Secretary, in a form agreed from time to time with the Chairman, and as discussed by the Senior Management Team prior to approval by the Chairman.
- 3.6 The Agenda and papers for each meeting of the Committee will be submitted under the authority of the Chairman and will be circulated to members 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 Chairman.
- 3.7 The Chairman 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.
- 3.8 The Company Secretary, or his or her nominee, will act as Secretary to the Committee. The Secretary is responsible for producing minutes of the Committee meetings. The minutes will be passed to the Chairman and circulated to Committee members and appropriate attendees within three weeks.

4 MAIN FUNCTIONS AND AUTHORITY

- 4.1 It is the responsibility of the Committee to promote active Forestry, to act as a conduit between the Board of Directors and the Membership of the Society and vice versa, and to ensure the Society's non-regulated activities are relevant to members' needs and that they add value to membership of the Society. In this, the Committee will:
 - 4.1.1 Develop and maintain a strategic plan for the development of the Courts.
 - 4.1.2 Review and approve management's annual operating plan and budget for the Courts.
 - 4.1.3 Monitor performance against the strategic objectives and management's annual operating plan and budget.
 - 4.1.4 Keep under review the range of benefits and activities available to members.
 - 4.1.5 Oversee the conduct and application of the Court accreditation scheme and support Courts in delivering services to their members.
 - 4.1.6 Monitor the financial performance and internal controls of Courts.
 - 4.1.7 Decide on requests for transfers of Court engagements in accordance with Society Rules.
 - 4.1.8 Decide on requests for Honorary Membership of a Court.
 - 4.1.9 Monitor the operation and application of the Court Reserve Fund and recommend changes to the Board as appropriate.
 - 4.1.10 Monitor the operation of the Society's Discretionary Funds, decide on requests for funding and subject to the requirements of the Society Rules, make changes to the Internal Discretionary Rules as appropriate.

- 4.1.11 Decide the Court Investment Fund interest rates and Member Allowance rates used to distribute the income of the Court Investment Fund.
- 4.1.12 Decide the annual Management Charge required to meet the costs of centrally provided services to the Courts.
- 4.1.13 Review an annual report from the Investment Committee on the Board's investment strategy for the Court Investment Fund
- 4.1.14 Represent the Court Investment Fund at the AGM of the Leeds Investment Association with two voting delegates in collaboration with a third delegate from the Society's Finance and Investment Department or Investment Committee.
- 4.1.15 Oversee the production of Miscellany.
- 4.1.16 Establish internal procedures for the resolution of complaints by members in respect of non-regulated activities.
- 4.1.17 Receive the decisions of meetings of the Society's Arbitrators.
- 4.1.18 Review the Court Handbook and, with guidance from the Society's Compliance Department, make changes as deemed appropriate.
- 4.1.19 Make recommendations to the Board on any amendments needed to the Memorandum and Rules of the Society.
- 4.1.20 Review the Court Rules and approve amendments as necessary.
- 4.1.21 Approve proposed additions and amendments to Court Rules made by a Court and applicable to that Court only.
- 4.1.22 The Committee shall receive and act on any topical projects as instructed by the Board.
- 4.1.23 The Committee will research and where appropriate, act on suggestions and recommendations from the Court System.
- 4.2.1 The Committee is authorised to seek any information it requires from any employee of the Society in order to perform its duties.
- 4.2.2 The Committee is authorised to obtain, at the Society's reasonable expense, outside legal or other professional advice on any matters within its terms of reference in accordance with any procedures agreed by the Board.

5 DELEGATION AND SUB-GROUPS

- 5.1 The Committee may establish and delegate tasks to sub-groups of the Committee in support of its overall responsibilities. It shall approve and minute appointments to sub-groups and although formal Terms of Reference are not required, the Committee will approve a clear Statement of Purpose for each sub-group. The Chairman has the right to attend every sub-group meeting.
- 5.2 A sub group will be formed by the Committee Chairman to deal with any complaint in a diligent manner and report back to the full Committee. A communication acknowledging the complaint must be made within 14 days.

6 STANDARDS

- 6.1 It is the responsibility of the Committee to monitor that the Committee follows appropriate good practice as laid down in the Society's policies, principles and values and relevant codes of practice.
- 6.2 The Committee should take due regard to regulatory requirements and guidelines, applicable legislation and the Society's business needs in its deliberations.

7 REPORTING

- 7.1 The Committee shall report formally to the Board on its proceedings after each meeting on how it has discharged its responsibilities.
- 7.2 The Committee shall report to the Board the decisions it has made with delegated authority from the Board.
- 7.3 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.4 The High Chief Ranger shall attend the Annual General Meeting to respond to any questions on Committee activities.
- 7.5 The Committee will present a report on the activities of the Committee at each High Court.

8 CHANGES IN CIRCUMSTANCES AND OTHER INTERESTS

- 8.1 The Committee will adhere to the Society's Conflict of Interest Policy, the Society Rules and relevant legislation. When an agenda item poses a significant conflict of interest for any Committee member, that member may contribute to the discussion but shall not have a vote and, if requested, should withdraw from the meeting.
- 8.2 All declarations of conflicts of interest shall be recorded in the minutes of the meeting.
- 8.3 All Committee members are required to notify the Secretary of the Society 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 MONITORING

The Committee will:

- 9.1 Annually review these Terms of Reference and make any necessary proposals to the Board as to their amendment.
- 9.2 Periodically review and report to the Board on the effectiveness of the Committee.
- 9.3 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.



Company Secretary