

TERMS OF REFERENCE

THE BOARD OF DIRECTORS OF THE BENENDEN HEALTHCARE SOCIETY LIMITED

1. **Membership**

- 1.1 The Board shall comprise no more than 14 members, two of whom shall be Executive members, six shall be Board-Nominated non-executive members and six shall be Member-Nominated non-executive members. Members of the Board shall be elected by Society members, having previously been nominated in accordance with Rule 21 or co-opted in accordance with Rule 22.
- 1.2 The Board shall be chaired by a Board-Nominated non-executive member for whom approval for PRA SMF9 Function will be sought. In the absence of the Chair, the Vice Chair shall chair the meeting.
- 1.3 Those with a right to attend meetings are: members of the Board, the Society Secretary and the Chief Executive (if not a member of the Board). Others may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the Board.
- 1.4 The term of office of each non-executive Board member shall be 3 years and, subject to re-election, non-executive Board members may serve a maximum of 9 years (whether or not consecutive).

2. **Secretary**

The Society Secretary or their nominee shall act as the secretary of the Board.

3. **Decision-Making & Quorum**

- 3.1 Every question before the Board shall be decided by consensus or by a majority of votes of the Board.
- 3.2 Where a majority vote is required, this will be taken by a balance of Board-Nominated and Member-Nominated Board members, with the Chair holding a casting vote.
- 3.3 Between meetings, decisions may be taken via email exchange, provided that the normal quorum requirements are achieved.
- 3.4 Time critical decisions between Board meetings shall be taken either via email or by special meeting of the Board, but can also be taken via discussion between the Chair and individual Board members (depending on availability) with the final decision being made by the Chair, Chief Executive and at least one Member-Nominated non-executive Board member.
- 3.5 Half of the members of the Board shall constitute a quorum at any meeting, with at least half of the Member-Nominated Board members and at least half of the Board-Nominated Board members present.

4. **Frequency of Meetings**

The Committee shall meet at least four times a year at appropriate times and as otherwise required. Meetings shall be held as dictated by the timing of the Society Conference and Annual Report schedule, as set out in the governance calendar. Additional meetings will be convened by the Secretary at the request of any of its members or attendees.

5. **Notice of meetings**

Unless otherwise agreed, the agenda and supporting papers shall be circulated (electronically where possible) to Board members, and to any other person required to attend, no later than 7 days before the date of the meeting.

6. **Minutes of Meetings**

- 6.1 Minutes of meetings will be agreed by the Chair, circulated within 14 days of each meeting and distributed with the agenda and papers for the next Board meeting.

6.2 The Board minutes will be presented for formal approval at the start of the following meeting of the Board.

7. **Conference**

All Board members shall attend the Society's Conference.

8. **Duties**

The Board is responsible for directing the Society, focussing on strategy and oversight and holding accountable, monitoring and robustly challenging those tasked with managing the Society. The Board is also responsible for supervising the activities of any Controlled Body or Benenden Health Community of the Society.

The Board's principal responsibilities are to:

8.1 Nominate Board-Nominated non-executive and Executive candidates for election by Conference.

8.2 Confirm eligibility of Board candidates aged 70 or over.

8.3 Co-opt an eligible person to fill any vacancy in the office of member of the Board until the next Annual Conference, in accordance with Rule 22.

8.4 Elect its Chair and Vice-Chair, and the Society's Deputy Secretary.

8.5 Set the remuneration for non-executive Board members (on the recommendation of the Group Nominations & Remuneration Committee).

8.6 Approve the establishment, membership and terms of reference for Board Committees.

8.7 Define the Society's objectives and strategy and set the Business Plan.

8.8 Approve the annual budget to achieve those objectives and approve any expenditure outside the financial budget.

8.9 Provide oversight of Conduct Risk, ensuring Conduct Risk is central to considerations on the formulation of strategy.

8.10 Provide oversight of performance against Consumer Duty requirements and assess, at least annually, whether the Society is delivering good member outcomes

8.11 Appoint one of its members as Consumer Duty Champion.

8.12 Approve the Annual Report and financial statements and lay the report before the Society's Annual Conference.

8.13 Formation of subsidiaries/associated companies or investment in new ventures through subsidiaries up to 5% of the value of the total assets of the Society. Beyond 5%, Conference approval required.

8.14 Approve the launch of new products.

8.15 Set corporate policy, including risk appetite, Risk Management Policy & Strategy, Investment & Treasury Policy and Fixed Asset & Capitalisation Policy.

8.16 Recommend to Conference the appointment of, and set the remuneration for, the External Auditor.

8.17 Approve amendments to the Pension Deed and Rules and monitor the performance of the Society's Pension Schemes.

8.18 Approve donations made by the Society.

- 8.19 Agree new borrowing facilities and any offers of security to lenders or guarantees to third parties.
- 8.20 Approve expenditure in accordance with the Delegated Authority Limits Policy, including but not restricted to business cases and the supply of goods/services.
- 8.21 Approve the sale of fixed assets or the writing-off of losses in accordance with the Delegated Authority Limits Policy.
- 8.22 Approve the sale or purchase of property, pooled investments or changes to the asset mix of investments in line with the Delegated Authority Limits Policy.
- 8.23 Monitor the ongoing fitness and propriety of Senior Managers and Certification Function Holders.
- 8.24 Approval and signature on behalf of the Society of any legal document required to be executed as a deed.
- 8.25 Approve changes to the democratic structure, having sought the views of the Member Council.
- 8.26 On the recommendation of the Membership Committee, agree any suspension of a Benenden Health Community Group pending investigation of the affairs of that Community.
- 8.27 Appoint, oversee and manage the work of the Chief Executive (line management carried out by the Chair).
- 8.28 Appoint, oversee and manage the work of the Society Secretary (line management carried out by the Chair) and the Company Secretary (line management carried out by the Chief Risk Officer).
- 8.29 Assess the Society's performance against corporate governance best practice.
- 8.30 Approve changes to services within the confines of the existing rulebook.
- 8.31 Set up and agree levels of discretion.
- 8.32 Agree the expulsion of members or refusal of benefits to members in accordance with Rule 10 where such a decision relates to an Officer of the Society or a member of the Society Executive.
- 8.33 Appoint all the directors of Benenden Wellbeing Ltd, Benenden Hospital Ltd and the trustees of The Benenden Charitable Trust. Appoint the majority of the trustees of The Benenden Hospital Trust.
- 8.34 Agree amendments to Memorandum and Articles of subsidiaries, where required by the individual Memorandum and Articles.
- 8.35 Oversee the effectiveness of the Society's measures in meeting its responsibilities for Environmental, Social and Governance (ESG) issues, including assessment of the financial risks from climate change and protecting long-term value for members; and oversight of risk management and setting the risk appetite in the context of climate change.
- 8.36 Provide oversight of the claims management process, through consideration of management information.
- 8.37 Maintain a constructive dialogue with the Member Council.
- 8.38 Jointly with the Member Council, agree changes to the Democratic Handbook.

9. **Reporting Responsibilities**

9.1 The Board shall produce a report of its activities to be included in the Society's annual report.

9.2 The Board shall report as required to the Society's Regulators.

10. **Other Matters**

The Board shall:

10.1 Have access to sufficient resources in order to carry out its duties, including access to the Governance, Risk & Compliance Team for assistance as required;

10.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

10.3 Give due consideration to laws and regulations, the provisions of the AFM Corporate Governance Code and any other applicable rules, as appropriate;

10.4 Oversee any investigation of activities which are within its terms of reference;

10.5 At least once a year, review its own performance and its terms of reference to ensure it is operating at maximum effectiveness and consider commissioning an externally-facilitated board review every three years.

11 **Authority**

The Board is authorised:

11.1 To seek any information it requires from any employee or director of the Benenden group in order to perform its duties;

11.2 To obtain, at the Society's expense, external legal and other professional advice on any matter within its terms of reference where required, including to invite advisors with relevant experience to attend the meetings;

11.3 To request the attendance of any employee at a meeting of the Board as and when required.