

Board Charter

August 2015

TheCityUK Limited

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1. **ROLE AND RESPONSIBILITIES OF THE BOARD**

1.1 **Role**

The role of the Board is to oversee and direct the affairs of the Company in a manner that seeks to promote the success of the Financial and related Professional Services sector for the benefit of its members as a whole, while complying with relevant legal requirements, the Company's Constitution, and relevant corporate governance standards.

1.2 **Responsibilities**

The Board takes collective responsibility for:

- 1.2.1 determining the Company's objectives and strategy;
- 1.2.2 ensuring that the necessary financial and human resources are in place to allow the Company to achieve its objectives;
- 1.2.3 ensuring that the necessary corporate and management structures are in place to allow the Company to achieve its objectives;
- 1.2.4 determining the policies applicable to the Company as set out in the Matters Reserved;
- 1.2.5 determining the nature and extent of the significant risks it is willing to take in achieving the Company's strategic objectives and establishing and maintaining a framework of risk management and internal controls that enables the strategic, financial and operational risks of the Company to be assessed and managed;
- 1.2.6 monitoring progress by the Company towards the achievement of its objectives and compliance by the Company with approved plans and policies;
- 1.2.7 reporting to relevant stakeholders on the Company's activities, presenting a balanced and understandable assessment of the Company's position and prospects;
- 1.2.8 appointing permanent Board Committees, special purpose Committees and the Advisory Council, with the appropriate balance of skills, experience, independence and knowledge to meet the Company's requirements and relevant corporate governance standards;
- 1.2.9 delegating clearly defined responsibilities and authorities to the Chairman, the Chief Executive, permanent Board Committees, special purpose Committees and the Advisory Council, and otherwise as the Board may determine from time to time; and
- 1.2.10 formally reviewing its own effectiveness as well as the effectiveness of its Committees and individual Directors.

Specific responsibilities of the Board are set out in the Matters Reserved.

2. SCHEDULE OF MATTERS RESERVED FOR THE BOARD

2.1 Objectives and Strategy

- 2.1.1 Determination of the Company's objectives and review of their achievement.
- 2.1.2 Determination of the Company's strategies and review of their implementation.

2.2 Structure

- 2.2.1 Determination of the corporate structure of the Company and approval of changes to it which are material to the Company.

2.3 Membership

- 2.3.1 Approval of changes to membership terms and conditions, which are material to the membership of the Company, including eligibility and membership rights.

2.4 Management

- 2.4.1 Approval of the annual plans, maintenance of reserves, and operating and capital expenditure budgets of the Company, and changes to them, which are material to the Company.
- 2.4.2 Approval of material changes to the Company's management structure.

2.5 Financial Reporting, Internal Controls, Risk and Capital Management

- 2.5.1 Approval of the Company's Annual Report & Accounts.
- 2.5.2 Approval of, and material changes to, the Company's accounting policies or practices.
- 2.5.3 Approval of the Company's risk strategy, appetite and tolerance.
- 2.5.4 Approval of the Enterprise Risk Management Framework and review of its implementation.
- 2.5.5 Approval of the results of the annual review of the effectiveness of Financial Controls and Procedures.

2.6 Transactions

- 2.6.1 Approval of any material transaction of the Company, being:
 - (a) any transaction with a related party giving rise to an obligation on the Company to send a circular to its members;
 - (b) acquisition, disposal or other transaction, involving a total consideration, (or, if greater, a market value) in excess of £250k, or under which the Company incurs liabilities in excess of £250k;

but excluding:

- (c) any transaction permitted under the Company's Reserve Related Investment Policy;
- 2.6.2 Approval of the commencement of any activity by the Company, within its powers, where such business has not previously been transacted and where the activity is likely, in its first full year of trading, to produce more than £250k of gross income or incur more than £250k of gross expenses.
- 2.6.3 Approval of the cessation, by the Company, of any activity previously conducted, which produced more than £250k of gross income or incurred more than £250k of gross expenses in the most recent financial year.
- 2.6.4 Approval of the provision of any guarantee, indemnity or security by the Company for a sum exceeding £250k.

2.7 Communications

- 2.7.1 Approval of business to be considered at general meetings of the Company and related documentation to be communicated to members.
- 2.7.2 Approval of all communications with members concerning Board decisions.
- 2.7.3 Approval of announcements of final results of the Company or concerning Board decisions.
- 2.7.4 Approval of communications, which are material to the Company, with any relevant Government Authority made in the name of the Board.

2.8 Corporate Governance, Board, and Other Appointments

- 2.8.1 Approval of material changes to the Board Charter of the Company, including:
 - (a) governance arrangements;
 - (b) the matters reserved for the Board;
 - (c) the Terms of Reference of permanent Board Committees, special purpose Committees and the Advisory Council.
- 2.8.2 Approval of the results of the review of the effectiveness of the Board, the Chairman, individual Directors and Board Committees.
- 2.8.3 Approval of changes to the structure, size and composition of the Board of Directors of the Company, in accordance with the Company's Articles of Association.
- 2.8.4 Approval of the formal processes for the selection, induction and training of Directors and review of the implementation of these processes.
- 2.8.5 Approval of the appointment and removal of:
 - (a) Chairman;
 - (b) Chief Executive;
 - (c) The Advisory Council;
 - (d) Executive Team;
 - (e) Non-Executive Directors;
 - (f) Representatives from organisations with observer rights
 - (g) Company Secretary;
 - (h) Chairmen of permanent and special purpose Board Committees;
 - (i) Members of permanent and special purpose Board Committees;

and approval of their respective roles and responsibilities, and any material changes to any of them.

- 2.8.6 Approval of any recommendation to members for the election or re-election of any Director.
- 2.8.7 Approval of the appointment, reappointment or removal of the Company's external auditor.
- 2.8.8 Approval of the arrangements for directors' and officers' liability insurance and indemnification of directors within the Company.
- 2.8.9 Approval of the Company's principal corporate advisors.
- 2.8.10 Approval of the process for enabling the Board to provide oversight of its permanent Board Committees, special purpose Committees and the Advisory Council
- 2.8.11 Approval of the Conflicts of Interest and Outside Appointments Registers and authorisation of identified potential or actual Conflicts of Interest.

2.9 Remuneration and Pensions

2.9.1 Approval of the remuneration and terms of appointment of the Chief Executive and Executive team.

2.9.2 Approval of the establishment or cessation by the Company of any pension schemes, under which any directors or officers of the Company may benefit, and approval of any major changes to the rules or fund management arrangements of or payments under any such scheme.

2.10 Delegation of Authority

2.10.1 Approval of the scope and extent of the role of, and delegations to, the Chairman, Deputy Chairman (if appointed), Chief Executive and Executive and Non-Executive Directors.

2.10.2 Approval of the delegations to permanent Board Committees, special purpose Committees and the Advisory Council, as reflected in their terms of reference and as documented in the Board Charter.

2.11 Policies

2.11.1 Approval of material changes to the following Company Policies:

- (a) Anti-bribery, Business Conduct and Conflict of Interest Policy;
- (b) Expenses Policy;
- (c) Risk Management Policy;
- (d) Information Technology Policy;
- (e) Data Protection Policy;
- (f) Legal and Intellectual Property Policy;
- (g) Equal Opportunities Policy;
- (h) Health and Safety Policy;
- (i) Nominations Policy;
- (j) Public Interest Disclosure (Whistle-blower) Policy;
- (k) Alcohol and Drugs Policy.

2.12 Other

2.12.1 Such other matters as the Board may determine from time to time. In the context of the above “material to the Company” means:

- (a) any amount greater than £250k;
- (b) any change to the Board approved plan which requires additional capital greater than £250k;
- (c) any change to the Board approved strategy for the Company which may reasonably be regarded as likely to have a material effect on the Company’s reputation.

3. ROLES AND RESPONSIBILITIES OF MEMBERS OF THE BOARD

3.1 The Chairman and the Deputy Chairman

The role of the Chairman is to lead the Board and ensure that it functions effectively. The Chairman is the Board's principal spokesperson, and acts also as Chairman of General Meetings of members. The role of the Deputy Chairman is to stand in for the Chairman in his absence. Both the Chairman and the Deputy Chairman are Non-Executive Directors, appointed by the Board, with the approval of the Advisory Council in accordance with the Company's Articles of Association.

The specific responsibilities of the Chairman are to:

- 3.1.1 set the agenda, style and tone of Board discussions to promote a culture of openness, effective decision making and constructive debate in Board meetings including appropriate consideration of strategic issues affecting the Company;
- 3.1.2 in conjunction with the Chief Executive, where appropriate, represent the Company to external stakeholders, including members, customers, suppliers, regulatory and governmental authorities and the community;
- 3.1.3 promote the highest standards of corporate governance within the Company;
- 3.1.4 ensure that the members of the Board receive accurate, timely and clear information on the Company and its activities;
- 3.1.5 ensure effective communication with members and ensure that Directors develop an understanding of their views, issues and concerns;
- 3.1.6 ensure that the Company maintains contact, as required, with its principal members observers and relevant stakeholders about remuneration, governance and strategy;
- 3.1.7 manage the Board to ensure that appropriate time is allowed for consideration of all issues;
- 3.1.8 ensure that there is in place a properly constructed induction programme for new Directors that is comprehensive, formal and tailored, facilitated by the Company Secretary;
- 3.1.9 take the lead in identifying and agreeing the training and development needs of individual Non-Executive Directors, with the Company Secretary having a key role in facilitating the provision of initiatives to meet needs identified;
- 3.1.10 address the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team and maintaining its collective skills and knowledge;
- 3.1.11 meet with Non-Executive Directors without the Chief Executive present;
- 3.1.12 ensure that the performance of individual Non-Executive Directors, the Chief Executive and of the Board as a whole and its Committees is evaluated at least once a year and act on the results of the performance evaluation;
- 3.1.13 encourage active engagement by all the members of the Board, promoting constructive relations between Executive and Non-Executive Directors; and
- 3.1.14 work closely with the Chief Executive, providing support and advice on matters relevant to strategy and operations while respecting the executive responsibility of the Chief Executive to manage the Company.

The Company will provide office accommodation and administrative support to the Chairman as requested.

The Chairman is authorised to seek, at the Company's expense, appropriate professional advice inside and outside the Company when he considers this necessary to discharge his responsibilities. Also, he has access at all times to the Company Secretary and the external auditors.

3.2 The Chief Executive

The role of the Chief Executive is to manage the Company's business on a day-to-day basis, subject to the Matters Reserved for the Board and the matters assigned by the Board to the Committees of the Board, and to assist the Board in carrying out its role by providing advice and recommendations consistent with the agreed corporate objectives and financial and operational risk management.

In fulfilling his executive role, the Chief Executive acts within the authority delegated to him by the Board. His specific responsibilities include:

- 3.2.1 leading the Executive Team in the day to day running of the Company;
- 3.2.2 acting as Chairman of the Executive Team;
- 3.2.3 developing and presenting to the Board the Company strategy and objectives, and ensuring all sub group strategies are consistent with them;
- 3.2.4 approve applications from new members
- 3.2.5 developing appropriate corporate and management structures to ensure the Company's objectives can be met;
- 3.2.6 monitoring the operational performance and developing strategic direction of the Company;
- 3.2.7 managing the Company's internal control framework, including approving management and control policies;
- 3.2.8 approving investments/disinvestments and major contracts (within authorised limits);
- 3.2.9 approving the Company's management development and succession plans for senior management, and approving appointments and termination of senior management with approval of the Nominations and Governance Committee;
- 3.2.10 reporting regularly to the Board with appropriate, timely and quality information so that the Board can discharge its responsibilities effectively;
- 3.2.11 and, in conjunction with the Chairman, where appropriate, represent the Company to external stakeholders, including members, observers, customers, suppliers, regulatory and governmental authorities, and the community.

3.3 The Non-Executive Directors

3.3.1 Non-Executive Directors

The role of the Non-Executive Directors is to participate fully in the functioning of the Board, advising, supporting and challenging management as appropriate. Further details of the role and responsibilities of Non-Executive Directors are set out below.

All Directors are required as members of a unitary Board:

- (a) to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed;
- (b) to set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance;
- (c) to set the Company's values and standards and ensure that its obligations to its members and others are understood and met;

- (d) to bring unfettered judgement to bear on the issues of strategy, performance, resources, key appointments and standards of conduct;
- (e) to be able to allocate sufficient time to the Company to discharge their responsibilities effectively and
- (f) to attend meetings of the Board, any relevant Board Committees and any general meetings of members of the Company.
- (g) In addition to these requirements for all Directors, the role of the Non-Executive Director has the following key elements:
- (h) **Strategy:** Non-Executive Directors should constructively challenge and contribute to the development of strategy;
- (i) **Performance:** Non-Executive Directors should scrutinise the performance of management in meeting agreed goals and objectives, and monitor the reporting of performance;
- (j) **Risks:** The Chief Executive, Chairman and any other Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- (k) **People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of the Chief Executive and any other Executive Directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

Effective Non-Executive Directors:

- (l) uphold the highest ethical standards of integrity and probity;
- (m) support Executive Directors in their leadership of the business while monitoring their conduct;
- (n) question intelligently, debate constructively, challenge rigorously and decide dispassionately;
- (o) listen sensitively to the views of others, inside and outside the Board;
- (p) gain the trust and respect of other Board members;
- (q) are well informed about the Company and the external environment in which it operates and the Company's operations; and
- (r) promote the highest standards of corporate governance and seek appropriate compliance with the provisions of the Combined Code.

The City of London Corporation and the Mayor of London have the right to appoint and remove two Non-Executive Directors from time to time. The other Non-Executive Directors are appointed for specific terms subject to election or re-election by members and to the provisions of the Articles of Association and statutory provisions relating to the removal of Directors.

Non-Executive Directors are authorised to seek, at the Company's expense, appropriate professional advice inside and outside the Company when they consider this necessary to discharge their responsibilities. Also, they have access at all times to the Company Secretary and the external auditors.

All Directors have the right to have any unresolved concerns about the running of the Company or a proposed action recorded in the minutes.

3.4 The Executive Directors

There are currently no Executive Directors apart from the Chief Executive. Executive Directors will have day-to-day management responsibilities in addition to their responsibilities as members of the Board. Their responsibilities as members of the Board are separate from their management responsibilities. Further details of the role and responsibilities of Executive Directors as members of the Board are set out below.

All Directors are required, as members of a unitary Board:

- 3.4.1 to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- 3.4.2 to set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance;
- 3.4.3 to set the Company's values and standards and ensure that its obligations to its members and others are understood and met;
- 3.4.4 to bring unfettered judgement to bear on the issues of strategy, performance, resources, key appointments and standards of conduct; and

3.4.5 to attend meetings of the Board, relevant Board Committees and any general meetings of members of the Company.

Directors are authorised to seek, at the Company's expense, appropriate professional advice inside and outside the Company when they consider this necessary to discharge their responsibilities. Also, they have access at all times to the Company Secretary, the external auditors and to independent actuarial advice.

All Directors have the right to have any unresolved concerns about the running of the Company or a proposed action recorded in the minutes.

3.5 Statutory Responsibilities

The Companies Act 2006 sets out the seven general duties that the directors owe to the Company. These are:

- 3.5.1 the duty to act in accordance with the Company's constitution;
- 3.5.2 the duty to promote the success of the Company;
- 3.5.3 the duty to exercise independent judgement;
- 3.5.4 the duty to exercise reasonable care, skill and diligence;
- 3.5.5 the duty to avoid conflicts of interest;
- 3.5.6 the duty not to accept benefits from third parties; and
- 3.5.7 the duty to declare interest in proposed transactions.

Each of the duties is described in more detail in the relevant section of the Companies Act 2006. Further guidance on these provisions may be obtained from the Company Secretary.

4. PERMANENT AND SPECIAL PURPOSE BOARD COMMITTEES

The Board has established the following permanent Board Committees:

1. Audit and Risk Committee;
2. Finance Committee;
3. Remuneration Committee;
4. Nomination and Governance Committee;

The Terms of Reference of these Committees are contained in the Appendices to this Charter.

In addition the Board has established the Advisory Council in accordance with its Articles of Association and the following Special Purpose Committees, some of which have established their own sub-Committees:

1. International Trade and Investment Group;
2. Public Affairs Committee;
3. International Regulatory Strategy Committee (jointly with the City of London Corporation);

5. GLOSSARY OF TERMS

"Board"	The Board of Directors of the Company.
"Board Charter"	The board charter of the Company.
"Board Committee"	A committee of the Board.
"Chairman"	The Chairman of the Board.
"Chief Executive"	The Chief Executive of the Company.
"Company"	TheCityUK Limited.
"Company Secretary"	The Company Secretary
"Director"	A Director of the Company.
"Matters Reserved"	The schedule of matters reserved for the Board contained in the Board Charter.
"Non-Executive Director"	A Non-Executive Director of the Company

APPENDIX 1

Audit and Risk Committee

Constitution and Terms of Reference

1. Membership:

- 1.1. The Committee shall comprise of at least three non-executive directors appointed by the Board, on the recommendation of the Nomination and Governance Committee.
- 1.2. A quorum shall be two members.
- 1.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two additional three-year periods, provided the Non-Executive Director remains independent, as determined by the Board, throughout the period of appointment.
- 1.4. The Chairman of the Committee shall be appointed by the Board from amongst the non-executive directors.
- 1.5. The Chairman of the Committee will have the option to co-opt another director to the Committee in order to maintain quorum if required.
- 1.6. One member of the Committee shall have significant, recent and relevant financial experience.
- 1.7. If the Company's Board Chairman is on the Committee he cannot chair the Committee.

2. Secretary:

- 2.1 The Company Secretary or a nominee of the Company Secretary approved by the Chairman of the Committee will act as Secretary to the Committee.

3. Attendance:

- 3.1. The Committee will be attended by the Chief Executive, Chief Financial Officer and other Executives by invitation, as appropriate, for all or part of the meeting. Invitees do not hold voting rights in respect of the Committee.
- 3.2. The Company's External Auditors shall also attend as required with or without executives present, either at the request of the Committee or at any time they wish to do so. External Auditors shall attend at least one meeting a year where year-end accounts are discussed and at other times as appropriate.
- 3.3. At each meeting where the External Auditors are present, an opportunity will be given to the auditors to meet members of the Committee, without management present.

4. Meetings:

- 4.1. Meetings shall be held bi-annually prior to Board Meetings in January and in July prior to signing of the Company's Financial Statements, and at any such other time as deemed necessary by the Committee.

5. Notice of Meetings:

- 5.1. Meetings of the Committee shall be summoned by the Secretary at the request of any of its members or at the request of the external or internal auditors.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes:

- 6.1. Minutes shall be kept and circulated to all members of the Committee and the Board, those required to be in attendance, and the Company's External Auditors.

7. Authority:

- 7.1. The Committee is authorised by the Board to:
 - 7.1.1. Investigate any activity within its terms of reference.

- 7.1.2. Seek any information that it requires from any employee of the Company and all employees are directed to cooperate with any request made by the Committee.
- 7.1.3. Seek input from the Company's other relevant Committees.
- 7.1.4. Obtain outside legal or independent professional advice, at the Company's expense, and secure the attendance of outsiders with relevant experience and expertise if it considers it necessary.

8. Financial Reporting:

- 8.1. To review, and challenge where necessary, the actions and judgement of management, in relation to the Company's financial statements, business review and related formal statements before submission to, and approval by the Board, and before clearance by the External Auditors.
- 8.2. Particular attention shall be paid to:
 - 8.2.1. Critical accounting policies and practices, and any change in them;
 - 8.2.2. Decisions requiring a significant element of judgement;
 - 8.2.3. The extent to which any unusual transactions affect the financial statements and how they are disclosed;
 - 8.2.4. Significant adjustments resulting from the external audit;
 - 8.2.5. The going concern assumption;
 - 8.2.6. Compliance with accounting standards;
- 8.3. Compliance with regulatory and legal requirements;
- 8.4. To consider the adequacy of the Company's accounting records and accounting controls and to make recommendations when necessary.
- 8.5. To consider other topics, as defined by the Board.

9. Risk:

- 9.1. To consider the adequacy of the Company's Financial Controls and Procedures and, in particular, its arrangements for evaluating risks in relation to its existing and future business and to advise the Board on the adequacy of the Company's Financial Controls and Procedures and to make recommendations for improvement when necessary.
- 9.2. To consider becoming involved in an advisory capacity during the development of significant major change projects to ensure that appropriate controls are put in place.
- 9.3. To review annually the Company's statement on the effectiveness of Internal Controls and, where appropriate, make recommendations to the Board, singling out any significant financial risks.

10. Whistleblowing:

- 10.1. The Committee shall review the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible impropriety in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

11. External Audit:

- 11.1. To oversee the Company's relations with the External Auditor.
- 11.2. To consider, and make recommendations on the appointment, re-appointment and removal of the External Auditor.
- 11.3. To approve the terms of engagement and the remuneration to be paid to the External Auditor in respect of audit services provided.
- 11.4. To assess the qualification, expertise and resources, effectiveness and independence of the External Auditors annually. Steps to consider include:
 - 11.4.1. Seeking reassurance that the auditors and their staff are and remain independent;
 - 11.4.2. Monitoring the external audit firm's compliance with applicable ethical guidance relating to the rotation of audit partners, the level of fees that the Company pays in proportion to the overall fee income of the firm, office and partner and other related regulatory requirements;

- 11.4.3. To discuss with the External Auditor, before the audit commences, the nature and scope of the audit and agree the engagement letter;
- 11.5. To review with the External Auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved:
 - 11.5.1. key accounting and audit judgements;
 - 11.5.2. levels of errors identified during the audit, obtaining explanations from management and, where necessary the External Auditors, as to why certain errors might remain unadjusted.
- 11.6. To review the audit representation letters before consideration by the Board, giving particular consideration to matters that relate to non-standard issues.
- 11.7. To assess at the end of the audit cycle, the effectiveness of the audit process by:
- 11.8. reviewing whether the auditor has met the agreed audit plan and understanding the reasons for any changes, including the changes in perceived audit risks and the work undertaken by the External Auditors to address those risks;
- 11.9. Consideration of the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements identified and in responding to questions from the Audit Committee, and in their commentary, where appropriate, on the systems of internal control.
- 11.10. Review the effectiveness of the audit.
- 11.11. To review and monitor the content of the External Auditor’s management letter, in order to assess whether it is based on a good understanding of the Company’s business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.
- 11.12. To develop and recommend to the Board the Company’s policy in relation to the provision of non-audit services by the Auditor and ensure that the provision of such services does not impair the External Auditor’s independence or objectivity. In doing so, the Audit Committee should:
 - 11.12.1. Consider whether the skills and experience of the audit firm make it a suitable supplier of the non-audit services;
 - 11.12.2. Consider whether there are safeguards in place to ensure that there is no threat to objectivity and independence in the conduct of the audit resulting from the provision of such services by the External Auditor;
 - 11.12.3. Consider the nature of the non-audit services, the related fee levels and the fee levels individually and in aggregate relative to the audit fee;
 - 11.12.4. Consider the criteria which govern the compensation of the individuals performing the audit;

12. Reporting:

- 12.1. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board, and the chairman of the Committee shall attend the Board meeting at which accounts are approved.
- 12.2. The Audit Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.
- 12.3. The Audit Committee chairmen shall attend the AGM and shall answer questions, through the Chairman of the Board, on the Audit Committee’s activities and their responsibilities.

Definitions

“AGM”	The Annual General Meeting of the Company
“Board”	The Board of Directors of the Company
“Chairman”	The Chairman of the Committee
“Committee”	The Audit Committee of the Company
“Company”	TheCityUK Limited
“Company Secretary”	The Company Secretary
“Company”	The Company and its subsidiaries
“Non-Executive Director”	A Non-Executive Director of the Company
“Secretary”	The Secretary of the Committee

APPENDIX 2

Finance Committee

Constitution and Terms of Reference

2. Membership:

- 2.1. The Committee shall comprise of at least three non-executive directors appointed by the Nominations and Governance Committee. A quorum shall be two members.
- 2.2. The Chairman of the committee shall be appointed by the board from amongst the non-executive directors.
- 2.3. The Chairman of the committee will have the option to co-opt another director to the committee in order to maintain quorum if required.
- 2.4. One member of the committee shall have significant, recent and relevant financial experience.

3. Secretary:

- 2.1 The Company Secretary or a nominee of the Company Secretary approved by the Chairman of the Committee will act as Secretary to the Committee.

4. Attendance:

- 4.1. The committee will be attended by the Chief Executive, Chief Financial Officer and other Executives by invitation, as appropriate, for all or part of the meeting. Invitees do not hold voting rights in respect of the committee.
- 4.2. The Chairman of the Audit Committee shall be invited to all attend meetings as an observer

5. Meetings:

- 5.1. Meetings shall be held quarterly prior to Board Meetings, and at any such other time as deemed necessary by the Committee.

6. Minutes:

- 6.1. Minutes shall be kept and circulated to all members of the Committee, those required to be in attendance, and be made available to the company's Audit Committee.

7. Authority:

- 7.1. The committee is authorised by the board to:
 - 7.1.1. Investigate any activity within its terms of reference.
 - 7.1.2. Seek any information that it requires from any employee of the company and all employees are directed to cooperate with any request made by the committee.
 - 7.1.3. Obtain outside legal or independent professional advice, at the company's expense, and secure the attendance of outsiders with relevant experience and expertise if it considers it necessary.

8. Annual Operating Budget:

- 8.1. To review, and challenge where necessary, the actions and judgement of management, in relation to the Company's annual operating budget
- 8.2. To scrutinise financial assumptions contained within the budget
- 8.3. Particular attention shall be paid to:
 - 8.3.1. Decisions requiring a significant element of judgement;
 - 8.3.2. The going concern assumption;
- 8.4. To recommend the final approved budget to the Board

9. Management Reporting:

- 9.1. To review, and challenge where necessary, the actions and judgement of management, in relation to the Company's management accounts
- 9.2. To review the adequacy of management information and other reports made available to the Board;
- 9.3. To review progress against budget

10. General:

- 10.1. To consider other topics, as defined by the board.

11. Reporting:

- 11.1. The Secretary shall circulate the minutes of the meetings of the committee to all members of the committee and to the Chairman of the Audit Committee. These minutes will be available to the Board on request.
- 11.2. The committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the board.

Definitions

"Board"	The Board of Directors of the Company
"Chairman"	The Chairman of the Committee
"Committee"	The Remuneration Committee of the Company
"Company"	TheCityUK Limited
"Company Secretary"	The Company Secretary
"Company"	The Company and its subsidiaries
"Non-Executive Director"	A Non-Executive Director of the Company
"Secretary"	The Secretary of the Committee

APPENDIX 3**Remuneration Committee****Constitution and Terms of Reference****1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee in consultation with the Chairman. The Committee shall be made up of at least three Non-Executive Directors, all of whom are determined by the Board to be independent.
- 1.2 Only members of the Committee and the Secretary have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate. No person invited by the Committee to attend any of its meetings shall remain present when his or her own remuneration is being considered. The Committee may co-opt any Non-Executive Director satisfying the requirements for membership to join the Committee for a meeting or any longer period. The Secretary shall inform the Board when any such co-option has taken place.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the Non-Executive Director remains independent, as determined by the Board.
- 1.4 The Board shall appoint the Chairman who shall be a Non-Executive Director, determined by the Board to be independent. In the absence of the Chairman, the remaining members of the Committee present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

2. Secretary

- 2.1 The Company Secretary or a nominee of the Company Secretary approved by the Chairman of the Committee will act as Secretary to the Committee.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members, both of whom must be Non-Executive Directors, determined by the Board to be independent.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least two times a year and otherwise as required.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated as soon as practicable to all members of the Committee and to all members of the Board, unless a conflict of interest arises.

7. Annual General Meeting

- 7.1 The Chairman shall attend the Annual General Meeting of the Company and will answer any questions on the Committee's activities.

8. Duties

The Committee shall:

- 8.1 keep under review, and make recommendations to the Board in respect of the over-arching Company-wide remuneration principles and policy, and changes to them;
- 8.2 approve the design of, and targets for, and any material changes to, any employee bonus plan (or equivalent operated by any Company, as well as determining the final level of vesting of all awards granted under such schemes);
- 8.3 review any major changes in employee incentive structures below the Executive Team level and agree the guidelines to which all incentive plans should operate;
- 8.4 oversee remuneration trends and any major changes in employee benefits structures (including pensions) throughout the Company and recommend any changes to the Board;
- 8.5 determine and agree the general terms and conditions of service contracts (including pension terms and employee bonus plans) for the Chief Executive and be made aware of any material divergence from the remuneration principles and policy which could lead to a higher payment being made to any other Company employee;
- 8.6 approve all termination packages payable to the Chief Executive and be made aware of any payment to any other Company employee which may be required to be made outwith of normal policy;
- 8.7 approve the total individual remuneration package of the Chief Executive and be made aware of the salaries and total remuneration of the other members of the Company's Executive Team;
- 8.8 agree the policy for authorising claims for expenses from the Chief Executive and monitor the levels of such expenses;

9. Reporting Responsibilities

- 9.1 The Chairman shall report formally to the Board on all matters which fall within the Committee's remit.
- 9.2 The Committee shall compile and approve on behalf of the Board a report to members of the Company on its activities and on the Company's remuneration policy and practices, to be included in the Company's Annual Report & Accounts.

10. Other Matters

The Committee shall:

- 10.1 be provided by the Company with sufficient resources in order to carry out its duties;
- 10.2 be provided by the Company 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 at least once a year, review its own performance, constitution and terms of reference to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval;

11. Authority

The Committee is authorised by the Board:

- 11.1 to seek any information it requires from any Board Committee, employee or director of the Company in order to perform its duties;
- 11.2 to obtain, at the Company's expense, external legal or other professional advice on any matter falling within its terms of reference; and
- 11.3 to call on any employee to attend a meeting of the Committee as and when required.

Definitions

“Board”	The Board of Directors of the Company
“Chairman”	The Chairman of the Committee
“Committee”	The Remuneration Committee of the Company
“Company”	TheCityUK Limited
“Company Secretary”	The Company Secretary
“Non-Executive Director”	A Non-Executive Director of the Company
“Principal Companies”	TheCityUK Trading Limited (Dormant) and the UK Islamic Finance Secretariat
“Secretary”	The Secretary of the Committee

APPENDIX 4**Nomination and Governance Committee****Constitution and Terms of Reference****1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board, and shall be the Chairman of the Board, the Chief Executive and at least three additional Board Members.
- 1.2 Only members of the Committee and the Secretary have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate. The Committee may co-opt any Board member to join the Committee for a meeting or any longer period. The Secretary shall inform the Board when any such co-option has taken place.
- 1.3 Except for the Chief Executive, whose term is covered by a separate service agreement, appointments to the Committee shall be for a period of up to three years, which may be extended for one further three-year period.
- 1.4 The Board shall appoint the Chairman who may be the Chairman of the Board. In the absence of the Chairman, the remaining members of the Committee present shall elect one of themselves to chair the meeting.
- 1.5 No member of the Committee shall be present when his or her own performance or re-appointment is being considered.

2. Secretary

- 2.1 The Company Secretary or a nominee of the Board Secretary approved by the Chairman of the Committee shall act as the Secretary.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two members, one of whom must be either the Chairman or the Chief Executive.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year and otherwise as required.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated as soon as practicable to all members of the Committee and to all members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

- 7.1 The Chairman shall attend the Annual General Meeting of the Company prepared to respond to any questions on the Committee's activities.

8. Duties

8.1 Nomination

The Committee shall:

- 8.1.1 keep under review the structure, size and composition of the Board having regard to the principles that:
 - appointments should be made on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender;
 - there should be an appropriate balance of skills, knowledge and experience on the Board;
 - the membership of the Board should be refreshed progressively; and make recommendations to the Board with regard to any changes
 - 8.1.2 consider and make recommendations to the Board with regard to the short, medium and long-term contingency and succession planning for the Board, its Committees and Country groups, in particular the Chairman, Vice-Chairmen, Committee and Country group Chairmen and Chief Executive and approve the succession plans for Senior Executives of the Group reporting to the Chief Executive;
 - 8.1.3 identify, and recommend for the approval of the Board, candidates to fill Board vacancies as and when they arise.
 - 8.1.4 keep under review the Board's statement on diversity, including gender, any measurable objectives that the Board has set for implementing the statement, and progress on achieving the objectives;
 - 8.1.5 On the recommendation of the Chairman and the Chief Executive approve the appointment and removal of Senior Executives of the Group reporting to the Chief Executive;
 - 8.1.6 ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
 - 8.1.7 approve and review the implementation of:
 - 8.1.7.1 processes for evaluating the effectiveness of the Board, the Chairman, individual Directors and Board Committees;
 - 8.1.7.2 processes for identifying the training needs of Non-Executive Directors; and
 - 8.1.7.3 processes for selecting, inducting and training Non-Executive Directors.
 - 8.1.8 make recommendations to the Board with regard to the appointment and removal of the Chairman of the Board, Board Members, Committee and Country group Chairmen, and the Chief Executive;
 - 8.1.9 make recommendations to the Board with regard to the continued appointment of any Board Member at the conclusion of his or her specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
 - 8.1.10 make recommendations to the Board with regard to the election or re-election by members of any Board Member;
 - 8.1.11 make recommendations to the Board with regard to any matters relating to the continuation in office of any Board Member at any time;
 - 8.1.12 make recommendations to the Board with regard to the authorisation of any actual or potential conflict of interest of any Director of the Company, and review regularly the authorised conflicts.
- 8.2 Governance

The Committee shall:

- 8.2.1 review and make recommendations to the Board with regard to material changes to the Board Charter of the Company and approve non-material changes to the Charter;
- 8.2.2 keep under review the Corporate Governance of the Group, having regard to regulatory and legal requirements and relevant generally accepted corporate governance standards, and make recommendations to the Board regarding proposals for changes;

9. Reporting Responsibilities

- 9.1 The Chairman shall report formally to the Board on all matters which fall within the Committee's remit.
- 9.2 The Committee shall compile a report on its activities, to be included in the Company's Annual Report & Accounts.

10. Other Matters

The Committee shall:

- 10.1 be provided by the Company with sufficient resources in order to carry out its duties;
- 10.2 be provided by the Company with appropriate and timely training; and
- 10.3 at least once a year, review its own performance, constitution and terms of reference to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval.

11. Authority

The Committee is authorised by the Board:

- 11.1 to seek any information it requires from any employee or Director of the Group in order to perform its duties;
- 11.2 to obtain, at the Group’s expense, external legal or other professional advice on any matter falling within its terms of reference; and
- 11.3 to call on any employee to attend a meeting of the Committee as and when required.

Definitions

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“Company Secretary	The Company Secretary
“Director”	A Director of the Company
“Group”	The Company and its subsidiaries, including the Principal Companies
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“Principal Companies”	TheCityUK Trading Limited (Dormant) and UK Islamic Finance Secretariat
“Secretary”	The Secretary of the Committee