

## **FiMT Board Terms of Reference**

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1. FIM Trustee Limited (the Trustee) is the sole Trustee of the Forces in Mind Trust (the Trust). The Directors of the Trustee are appointed in accordance with the Memorandum and Articles of Association (MAA) of the Trustee (FIM Trustee Limited). The Board has responsibility to both ensure that the Trust fulfils the Objects of the Charity as described in the Trust Deed (TD), and to promote the efficient and effective use of Trust staff and resources.

### **Constitution of the Board**

2. The Board of Directors is constituted as set out in the MAA.

### **Attendance**

3. The Board may invite non-members to attend meetings as considered necessary and appropriate; the CE is normally to attend all Board meetings. The Protector is also entitled to attend Board meetings and any other meetings associated with the Trustee as described in Paragraph 11.
4. The Board may appoint a Secretary as set out in the MAA. The CE is able to advise the board on process and procedure.

### **Meeting Frequency and Quorum**

5. Board meetings are to take place at least four times per year at such times as the Board may determine. Additional meetings may be called in accordance with the MAA. Meetings of the Board are held in private unless determined otherwise by the Board. Board meetings are set at a minimum of 6 months in advance and ideally on a 12 month rolling time-table. The CE should prepare Board briefing papers for circulation at a minimum of two weekends for review or, ideally, 10 working days.
6. The composition of a quorum is as set out in the MAA. Directors may be present in person or attend remotely, through video or telephone conference facility.
7. Decisions of the Board are to be taken by a simple majority vote of the Directors present and voting, unless otherwise provided in the MAA.

### **Purpose**

8. The role of the Board is to:
  - a. Provide overall leadership to the Trust and to ensure the Trust delivers the Objects as set out in Paragraph 5 of Section 1 in accordance with the MAA and TD.

- b. Set the mission, vision, values and strategic direction of the Trust.
- c. Set the financial plan and investment strategy for the Trust endowment to support the Objects of the Trust.
- d. Agree a Business Plan which aligns with the Objects and Strategy, in detail for years one through three, and a broader view to align with long-term strategy for years four and five.
- e. Consider, approve and make grants from the Trust endowment and income in furtherance of the Objects of the Trust.
- f. Uphold high standards of ethical behaviour, governance and personal conduct in the business of the Trust.
- g. Ensure that the Trustee and the Trust comply with all relevant regulatory, statutory, legal and code of conduct requirements.
- h. Promote and develop relationships with charities, organisations and government departments in furtherance of the Trust Objects and Values.
- i. Maintain the reputation of the Trust.
- j. Ensure that the Trust has adequate and effective governance and risk management systems in place.
- k. Approve the Trust Annual Report and Accounts.
- l. Monitor the performance of the Trust and ensure that the CE and staff operate the Trust within the resources available to:
  - i. Deliver the agreed Aims and Objectives of the Trust as set out in the Business Plan
  - ii. Make effective and efficient use of Trust resources

### **Board Committees**

9. The Board may delegate powers to formally constituted committees, which may have executive authority in accordance with the MAA, TD and their Terms of Reference, described later in Section 3. The Board is to have standing committees that perform scrutiny and support of the Trust, and specialist or functional committees that align with the Objects of the Trust and support the decision-making process of the Board; the latter may be temporary in nature. Standing committees may be amalgamated if the work required and efficiency so dictates. The Standing Committees are:
  - i. Finance and Investment
  - ii. Governance
  - iii. Grants and Commissioning
10. All committees are required to report to the Board in writing at least every 3 months. There is to be at least one Director on each committee but the Board also has power to invite lay advisers with relevant skills and experience to become members of any committee or working group.

### **Protector**

11. The Fund, the Founder, is to appoint a Protector who has the right to attend all Board and Committee meetings and the right to request information from the Trust to support their role, as described in Sections 12 and 13 of the TD, with the powers afforded by Schedule 2 of the TD.

## Deputy Chairman

12. **Introduction:** The position of Deputy Chairman exists to provide business continuity in the event of the Chairman's absence from Board meetings, or a sudden extended and unexpected incapacity; it is not intended that the Deputy Chairman has any responsibilities other than those associated with his position as a Director and potentially as a Committee member, and there is no presumption that the Deputy Chairman will succeed the Chairman at the end of his tenure.
13. **Appointment:** The Deputy Chairman, who is to be an existing FiMT Director, is appointed by the Board on the recommendation of the Chairman. The tenure is for the duration of his or her Directorship, or as decided by the Board.
14. **Authority:** The Deputy Chairman has no authority, but may be invited as a Director to be nominated as a bank authorizer.
15. **Actions in the event of Chairman absence:** In the event of the Chairman's absence from a Board meeting, the Deputy Chairman is normally expected to chair the meeting under Article 56. Should the Chairman suffer an extended incapacity, the Deputy Chairman is to become Acting Chairman, and as such assumes the Chairman's responsibilities, including providing advice to the CE, representing the Board and chairing Board meetings. Should the Chairman not return to his duties, the Deputy Chairman is responsible for leading the process for appointing a new Chairman. Throughout his tenure as Acting Chairman, the Deputy Chairman shall draw upon the Protector and Committee Chairs for additional support and advice as required. Once the Board has appointed a new Chairman, the Deputy Chairman is to revert to his or her business continuity role.

## Decisions reserved for the Board

16. The following matters have been reserved to the Board for collective decision:
  - a. Setting the Strategy for the Trust and approving specific Strategic Objectives
  - b. Agreeing levels of delegation for the Chairman, Board, Committees and Staff set out in a Scheme of Delegation
  - c. Changes to Trust operating structure and/or governance procedures having consulted the Protector
  - d. Establishment of Committees, their Terms of Reference, authority and reporting requirements, to include an annual review of performance and committee membership
  - e. Approval of the appointment of Chairman and members of each Trust committee
  - f. The Finance & Investment Committee is to recommend to the Board the appointment of an Investment Manager(s); this may also include the appointment of any nominee or custodian to hold Trust assets
  - g. Approval of Trust Annual Report and Accounts
  - h. Approval of the Business and Financial Plans
  - i. Approval of committee annual work plans and programmes
  - j. Review and approval of the Trust Risk Management Strategy and Policy
  - k. Approval of grants as presented after full assessment by Trust staff
  - l. Approval of contracts, contract bids, joint ventures, partnerships, commitments, and disposal of assets, including oversight of the same delegated to each committee

- m. Approval of any proposals to change or amend the TD or MAA, having consulted the Protector and, where appropriate, seeking agreement from the Founder
- n. Approval of any substantive change to Trust insurance and indemnity arrangements in relation to Directors, Company Officers and Trust Staff liability
- o. Delivery:
  - i. In conjunction with the CE, set delegated authority limits for Trust staff
  - ii. Approve decisions which exceed delegated authority limits for committees or staff, and/or are novel and/or contentious
  - iii. Review the management accounts and financial forecast to ensure alignment with the agreed Business and Financial plans
- p. Staff:
  - i. Appoint a CE of the Trust
  - ii. Approve the Trust staff structure and, where appropriate, endorse key staff appointments
  - iii. Set the pay and remuneration for Trust staff

#### **Code of Practice for the Board, Committees and Staff of the Trust**

17. This code of practice is aligned to specific Terms of Appointment as a Director, Committee Member or staff of the Trust.
18. **Board Members:** In addition to their individual or specific responsibilities, Board Members are expected to act in accordance with their wider responsibility as Directors of the Trust Board, which are to:
- a. Engage fully in collective consideration of the issues and contribute to decision making, sharing responsibility for those decisions, whether or not present at the Board meeting at which the decision is taken; this includes reading Board papers in advance and making their views known to the Chairman or CE if unable to attend the meeting.
  - b. Devote sufficient time to the role to discharge their responsibilities effectively.
  - c. Ensure that the Board does not exceed its powers.
  - d. Comply at all times with this Code of Practice.
  - e. Not misuse information gained in the course of their service for personal gain or for political purposes, nor seek to use the opportunity of service to promote their private interests or those of connected persons or organisations.
  - f. Comply with Trust rules on the acceptance of gifts and hospitality, and of business appointments.
19. **Conflicts of Interest:** Rules on actual or potential Conflicts of Interest are set out in Article 61 of the MAA, under section 175 of the Companies Act 2006, and explained further in Articles 62 through 66, and Section 10 of the TD. In addition, The Nolan Principles of Public Life are attached at Appendix 2 to provide guidance on the standards expected in conducting the business of the Trust; they apply to Board and Committee Members as well as Trust Staff. Directors, Committee Members and Trust Staff must declare any personal or business interests, which may, or may be perceived to, influence their judgments in performing their functions. The process for so doing is as follows:
- a. Interests must be entered in the Register of Interests maintained by the Trust; Directors and/or Committee members must ensure that their entries are up to date.

- b. Should a particular matter give rise to a conflict of interest, the Director and/or Committee member should inform the Chairman of the Board or Committee and shall, if asked to do so, withdraw from discussions or consideration of the matter.
  - c. Directors and/or Committee members are expected to inform the Chairman of the Trust or their respective Committee Chairman, and the CE, in advance, of any new appointments which might impinge on their duties for the Trust, or give rise to an actual or potential conflict of interest.
  - d. Declaration of a Conflict of Interest might not preclude a Director, Committee member or member of Trust staff from continuing with the work concerned, but this must be approved, as an exception, by the Board, and may be subject to such limits or constraints as the Directors decide.
20. **Gifts and Hospitality:** Directors and/or Committee members and staff are expected to ensure that acceptance of gifts and hospitality is appropriate and able to pass the test of public scrutiny. Gifts should be declined where this will not cause offence and any offers or acceptance of gifts must be reported in writing to the CE of the Trust. If a gift has been accepted then the relevant Director and/or Committee member should inform the CE of the gift, the estimated value and the donor. Directors or Committee members or staff accepting gifts may be required (at the discretion of the Chairman or CE) to return the gift or donate it to charity. Members have a personal responsibility to ensure that a record is placed in the Gifts and Hospitality Register of the Trust which will be maintained by the Executive Assistant and be reviewed by the Governance Committee on a quarterly basis. In the case of hospitality, care should be taken that no extravagance is involved with working lunches and other social occasions. Directors and/or Committee members and staff are required to ensure, where possible, hospitality is agreed by the Chairman or CE in advance of acceptance.
21. **Confidentiality:** Directors, Committee Members and staff have a duty of confidentiality in relation to all information pertaining to the Trust and its affairs that they receive. Unauthorised disclosure by a Director, Committee member or staff of any information gained in the course of their membership of the Board or Committee, which is subsequently used for personal gain or advancement, could result in the appointment being terminated.
22. **Expenses:** Directors and Committee members are entitled to claim expenses in accordance with the Expenses Policy.

### Board Protocols

23. The Board has collective responsibility for ensuring that the Trust fulfils its aims and objectives and for promoting the efficient and effective use of staff and other resources by the Trust. In addition to the Nolan Principles in the appendices and the Code of Practice above, these protocols are intended to help Board Directors, Committee members and Trust staff to work together and thereby maximise their contribution to Trust business.
24. **The Role:** The role of a Director or Committee member is to be seen as similar to that of a non-executive director on a PLC Board, so that they:
- a. Adopt a “corporate” rather than a “representative” role, are independent and perform in the best interests of the Trust and use their knowledge and experience as appropriate to Trust business.

- b. Provide impartial guidance to Trust staff, balancing a duty to support the Trust in delivering its objectives with ensuring the proper and effective use of Trust funds and resources.
- c. As with other members of the Trust team, Directors and Committee members will bring specific expertise, based on knowledge from their own work and interests, which should be applied independently for Trust business.

**25. Adding Value:** By accepting the role of Director or Committee member, and taking on other responsibilities relating to the administration of the Trust, individuals are able to add value over and above their contribution at Board or Committee level. Opportunities include:

- a. Adding value to strategy development by providing an impartial “trust overview” on issues, such as contributing to the Trust Business and Financial Plan; this is to be seen as a role for all Board /Committee members.
- b. Becoming a “champion” for their portfolios; for example, supporting proposals brought to Board/Committee meetings or influencing external partners.
- c. Being an ambassador for the Trust (both in connection with their own responsibilities and in support of the wider activities of the Trust) either informally or when undertaking engagements on behalf of the Trust.

**26. Representation:** Director or Committee member engagements represent an important element of Trust marketing and communications with stakeholders, and actual and potential recipients of grants and other support from the Trust. Communities of interest range from Service and ex-Service men and women, and their families, and aligned charities and organisations, to parliamentary and government forums. This activity is to be co-ordinated where possible to ensure that those attending on behalf of the Trust present a balanced view and promote key priorities and messages of the Trust. Engagements are to be co-ordinated and agreed in advance, and guidance for speeches and presentations to external audiences is to be provided by the CE or Chairman, in conjunction with the Trust retained Marketing & Communications team, for events, in line with the following parameters:

- a. Directly linked to developing and promoting the Trust.
- b. Delivering messages linked to Trust agenda and representing the Chairman or attending as a Trust representative in their own role.
- c. Linked to portfolio responsibilities, as described above, where Directors, Committee members and staff can exploit or build upon their own area of expertise, and where their wider experience could add credibility to Trust activities.

**27. Freedom of Expression:** Directors’ and/or Committee members’ prime responsibilities are discharged through their participation in Board and/or Committee meetings. For there to be effective discussions, participants must be confident that full and frank exchanges of views can take place. To that end:

- a. All pre-briefings and discussions at the Trust Board or Committee meetings are confidential to the Trust.
- b. The contents of Board/Committee papers are not to be disclosed until after they have been approved by the Board, working under the premise that the contents of Board/Committee proceedings will be published unless there is a requirement for confidentiality.

- c. Observers at Board/Committee meetings are expected to follow the principle of “Chatham House Rule” – non-attribution without consent – unless otherwise bound by confidentiality.