Personal Finance Society
Standards. Professionalism. Trust.

PFS BOARD TERMS OF REFERENCE

1. PURPOSE

1.1 The Board is responsible for the leadership, direction and effective governance of the Personal Finance Society ('the Society'). The Board acts collectively to promote the long-term success, sustainability and reputation of the Society and to ensure that it fulfils its purpose, objectives and obligations.

The Board provides strategic oversight, ensures appropriate stewardship of resources, monitors performance and risk, operates effectively within the CII Group framework and acts in the best interests of the Society, its Members and wider stakeholders.

2. REMIT & RESPONSIBILITIES

2.1 The Board delegates the day to day management of the PFS to the CII Chief Executive Officer and the ELT. Other matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees. Matters which are reserved for decision by the Board are set out in the Matters Reserved for the Board.

The Board shall:

2.2 Be responsible for its own affairs but shall at all times act in accordance with the Articles and Bye-Laws, and applicable legislations.

2.3 Work collaboratively and proactively on agreeing an annual business plan and budget for final approval with the Group Business Plan by the Group Board.

2.4 Ensure the *implementation and delivery of the Society's Strategy and Annual Business Plan*, in line with the approved PFS Budget. (Article 13.1)

2.5 Review emerging opportunities and challenges affecting the profession and membership.

2.6 **Risk and Assurance**

The Board shall:

- Oversee the management of PFS strategic risks
- Monitor compliance with relevant legal, regulatory and professional obligations
- Escalate material risks and concerns to the CII Group as appropriate

2.7 **Appointments**

The Board shall:

- Appoint the Chair of the Board, President, Vice Presidents and Co-opts (Articles 12 – 12.4)
- Appoint Committee Chairs and members (excluding the Nominations Committee Chair)

2.8 **Annual General Meeting**

The Board shall:

- Determine arrangements for the Annual General Meeting (Article 5.3)

- Approve resolutions and corresponding documentation to be put forward at general meetings

2.9 **Board Composition and Succession**

The Board shall on recommendations from the Nominations Committee:

- Determine the skills, experience and diversity required on the Board
- Oversee succession planning for Directors and office holders
- Approve appointments and reappointments in accordance with the Articles and agreed governance processes. (Appointing and removing Member Directors and Lay Directors (Articles 9.4, 9.8 & 9.9))
- Support Director induction, development and ongoing effectiveness

2.10 **Expectations**

Board members are expected to:

- Act in the best interests of the Society
- Exercise independent judgement
- Prepare for and actively participate in meetings
- Declare and appropriately manage conflicts of interest
- Uphold the values, policies and standards of the Society

The Directors' statutory duties are listed under Annex A.

3. MEMBERSHIP OF THE BOARD

3.1 The composition of the Board shall be determined in accordance with the Articles of Association and any relevant governance requirements. (Article 9).

3.2 *The Board shall comprise up to eight Member Directors, up to two Lay Directors (who are not Members of the Society nor employees of the Society or the Institute) and such Institute Directors as the CII sees fit pursuant to Article 9.1.2 provided that the aggregate total of Member Directors and Lay Directors shall not exceed eight, and that Institute Directors shall have the right to form the majority of Directors on the Board.* (Articles 9.1- 9.2)

3.3 The appointment, retirement, and removal of Directors shall be governed by the Articles (Articles 9 -11).

4. PROCEDURES OF MEETINGS

4.1 **Quorum & notice of meetings**

Board meeting shall be held from time to time as determined by the Chair and at least quarterly. (Article 13.2). Additional meetings may be called from time to time by the Chair as required provided that quorum and statutory requirements are met.

4.2 The quorum of the meeting shall be four comprising at least two non-Member Directors including one Institute Director and two member nominated Directors. (Article 13.6).

4.3 A duly convened meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions vested in, or exercisable by, the Board.

4.4 **Chairing meetings**

The Board shall appoint one of its Directors as Chair. The Chair shall preside at every meeting of the Board at which they are present (Article 12.1). *Unless they are unwilling to do so, the Director so appointed as Chair shall preside at every meeting of directors at which they are present. If there is no Director holding the office of Chair, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be Chair of the meeting.* (Article 12.1).

4.5 **Secretary**

The Company Secretary, or their nominee, shall act as the Secretary of the Board.

4.6 **Minutes**

The Board Secretary shall minute the proceedings and resolutions of all meetings of the Board, including names of those present and in attendance.

4.7 Minutes of meetings shall be circulated promptly to all members of the Board in line with the agreed secretariat standard.

4.8 **Observers & Visitors**

Observers may attend meetings at the discretion of the Chair. They are not members of the meeting and are not entitled to vote or contribute to discussions or debate. They may speak with the permission of the Chair.

4.9 Visitors can be invited to attend meetings by the Chair to expedite the agenda. They are not members of the Board or entitled to vote.

5. DECISION MAKING

5.1 **Decisions**

Decisions will usually be reached by consensus following discussion at a properly convened meeting of the Board. Where a clear consensus cannot be reached, a vote will be taken, and the decision made by a simple majority of those present and voting, unless otherwise required in the Articles and Bye-laws.

5.2 **Casting vote**

If the numbers of votes for and against a proposal are equal, the Chair or other Director chairing the meeting shall have a casting vote (Model Articles 13.1).

5.3 **Chair's Action**

Chair's action may only be taken where decisions are routine/immaterial matters and/or there is a need to expedite the PFS's business at the request of the Board and it is reasonable not to call an extraordinary meeting. Chair's actions will be reported to the Board at the next constituted

Board meeting. Exceptionally, the Chair's action may be required on an urgent matter, where delay would seriously prejudice the PFS. In such circumstances any request for action must be agreed by the CII Chief Executive or the Secretariat, who will discuss the matter with the PFS Chair. The Board Secretary will ensure that the Chair's action is reported to the next Board meeting and recorded in the minutes of that meeting by way of ratification. In such circumstances, the Board shall fully accept corporate responsibility for any action taken.

5.4 **Decisions outside the meeting schedule**

Exceptionally, a decision of the Board or a Committee may be urgently required between scheduled meetings. This can be achieved in one of two ways, either through an extraordinary meeting or a written resolution. Where the matter is so important in terms of the potential strategic, reputational, or financial effect on the PFS, an extraordinary meeting should be properly convened. In other circumstances, a decision may be made through written resolution where a written resolution will be circulated to all Board Members entitled to vote and confirmed when unanimous approval has been received. All written resolutions will be circulated by the Secretariat and will be in line with the relevant constitutional documents.

The urgency arrangements should not be used when the issue can be taken to the next Board or Committee meeting.

5.5 All matters dealt with in between meetings will be formally reported and, where appropriate, ratified, at the next meeting of the Board or Committee.

6. AUTHORITY

6.1 The Board has available to it internal Legal advice from the CII General Counsel and Secretariat. Where it needs to seek external advice, the Board is authorised to obtain outside legal or other professional advice, at the PFS's expense, on any matters within its terms of reference. This is subject to agreeing the costs and the choice of advisers with the CII Executive in advance and ensuring that the costs are proportionate and represents value for money.

7. OTHER MATTERS

7.1 In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the PFS.

8. EVALUATION & REVIEW

8.1 These Terms of Reference shall be reviewed annually by the Board to ensure they remain effective, proportionate and aligned with the Articles of Association, the CII Group Operating Protocol and recognised governance best practice.

Approved by PFS Board 16 September 2026

Reviewed by PFS Board .....

ANNEX A Directors Duties Companies Act 2006 S171-77

1. ***Act within their powers -*** A director must act within his powers under the company's constitution and only exercise his powers for the purpose for which they were conferred (CA 2006, s171).

2. ***Promote the success of the company -*** A director must 'act in a way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole' (CA 2006, s172). This duty applies to all directors' actions, not just those exercised at board meetings. When making decisions, directors must ensure they have regard to the likely consequences of the decision over the long term, which means they must take account of the:
   - interests of employees
   - impact on the community and environment
   - need to foster business relationships with suppliers, customers and others
   - need to act fairly between members of the company
   - a need to maintain a reputation for high standards of business and conduct

3. ***Exercise independent judgement -*** A director must exercise independent judgement (CA 2006, s173). This duty largely codifies the requirement in common law for directors to exercise their powers independently, without subordinating their powers to the will of others and without fettering their discretion.

4. ***Exercise reasonable care, skill and diligence -*** A director must exercise such reasonable skill, care and diligence as would be exercised by a reasonably diligent person with:
   - the general knowledge, skill and experience that could reasonably be expected from a person carrying out the director's functions; and
   - the director's actual general knowledge, skill and experience (CA 2006, s174).

5. ***Avoid conflicts of interest -*** A director has a statutory duty to avoid any situations in which he has, or could have, a direct or indirect interest that conflicts, or could conflict, with the interests of the company (CA 2006, s175). This applies in particular to the exploitation of property, information or opportunity regardless of whether the company could take advantage of it. It applies to a conflict of duty, as well as a conflict of interest and includes the interests of 'connected persons'.

6. ***Not accept benefits from third parties -*** A director has a statutory duty not to accept a benefit from a third party which is given because of the position held by the director or because of anything the director has done in his capacity as a director (CA 2006, s176). In brief, acceptance of benefits is not subject to any 'de minimis' limit and is only permitted where the matter is approved by the company's members or it can reasonably be regarded that it will not give rise to a conflict of interest with the company.

7. ***Declare interests in transactions or arrangements -*** A director of a company has a statutory duty to disclose any direct or indirect interest he has in a proposed transaction or arrangement with the company (CA 2006, s177). Furthermore, the director has a duty under CA 2006, s182 to declare any interest held, direct or indirect, in an existing transaction or arrangement.

Glossary

The following words shall have the meanings shown:

Term	Definition
Board	shall mean the PFS's governing Board.
Director	shall mean a Director of the PFS Board
Committee(s)	shall mean the Committee(s) of the PFS Board
CII Executive	shall mean senior employees of the Chartered Insurance Institute designed as such by the Chief Executive
The Society	Shall mean The Personal Finance Society
Institute	shall mean the Chartered Insurance Institute