

## Matters reserved to the Board of Falmouth Exeter Plus (FX Plus)

*(Approved by the Chair on behalf of the Board, 24 November 2011; note about institutional approval added by the Board, 25 July 2013; reviewed without change, July 2014 & June 2015)*

*To be read alongside the Committee Structure and schedule to delegate authority to the CEO.*

The following is a list of matters which are ultimately reserved for the approval of the University of Exeter and Falmouth University in terms of decision making and responsibility.

### 1. Strategy and management

- 1.1 Responsibility for determining the overall strategic direction of the company.
- 1.2 Approval of the company's long term vision, values and strategic objectives.
- 1.3 Approval of all major delivery strategies and delivery plans including those for finance and HR.
- 1.4 Approval of the financial forecasts and annual operating and capital expenditure budgets and any material changes to the overall budget.
- 1.5 Oversight of the company's operations ensuring:
  - competent and prudent management
  - sound planning and implementation
  - an adequate system of internal control
  - adequate accounting and other records
  - compliance with statutory and regulatory obligations
- 1.6 Review of performance against agreed strategies, objectives, business plans (including KPIs) and budgets.
- 1.7 Extension of the company's activities, outside of agreed strategies, into new business areas or ventures.
- 1.8 Any decision to cease any material part of the company's business not included in approved strategies.

### 2. Structure and capital

- 2.1 Major changes to the company's corporate structure.
- 2.2 Changes to the company's management and control structure.

### 3. Financial reporting and controls

- 3.1 Approval of the annual report and accounts.

- 3.2 Approval of any significant changes in accounting policies or practices.
- 3.3 Approval of any material changes to funding arrangements including the recharging mechanism.
- 3.4 Approval of delegated authority given to the CEO and directors in terms of financial mandates.

#### **4. Internal controls**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - receiving reports on, and reviewing the effectiveness of, the company's risk and control processes to support its delivery strategies and objectives
  - undertaking an annual assessment of these processes
  - approving an appropriate statement for inclusion in the annual report
  - reviewing risks and putting appropriate mechanisms in place to ensure that the FX Plus Board is kept informed of potential risks
  - delegated authority/mandate for signing off on identified matters arising between Board meetings.

#### **5. Contracts**

- 5.1 Major capital or revenue projects not covered within approved delivery strategies.
- 5.2 Contracts which are material, strategically or by reason of size, entered in to by FX Plus or any subsidiary in the ordinary course of business, for example bank borrowings and material acquisitions or disposals of fixed assets.
- 5.3 Contracts of the company or any subsidiary not in the ordinary course of business, for example loans and any contract requiring substantial guarantees; major acquisitions or disposals.
- 5.4 Investment strategies.

#### **6. Communication**

- 6.1 Approval of resolutions and corresponding documentation to be put forward to stakeholders at general meetings.
- 6.2 Approval of press releases concerning matters decided by the Board.
- 6.3 Approval of the FX Plus branding and external communications strategy.

#### **7. Board membership and other appointments**

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from any relevant committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management.

- 7.3 Appointments to the Board, in line with the provisions of the Members' Agreement and articles of association.
- 7.4 Selection of the Chair of the Board, in line with the provisions of the Members' Agreement and articles of association.
- 7.5 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the company, subject to the law and their service contract.
- 7.6 Appointment or removal of the company secretary.
- 7.7 Appointment, re-appointment or removal of the external or internal auditor.  
*In practice the appointment of the external auditor follows the appointment of the University of Exeter and the internal auditor follows the appointment of Falmouth University.*
- 7.8 Appointment or removal of the CEO.

## **8. Remuneration**

- 8.1 Determining the remuneration policy for the CEO and other senior executives.
- 8.2 Determining the remuneration of any non-executive directors in line with the Members' Agreement.

## **9. Delegation of authority**

- 9.1 Approval of terms of reference of Board sub-committees.
- 9.2 Receiving reports from Board sub-committees on their activities.
- 9.3 Delegation of authority to CEO

## **10. Corporate governance matters**

- 10.1 Undertaking a regular review annually of its own performance, that of its committees and individual directors.
- 10.2 Considering the balance of interests between stakeholders, employees, customers, students and the community.
- 10.3 Review of the group's overall corporate governance arrangements.
- 10.4 Receiving reports on the views of the company's stakeholders.

## **11 Policies**

- 11.1 Approval of policy with strategic impact, e.g. space allocation, signage, rent setting.

## **12. Health & Safety**

12.1 Receiving reports on all health and safety issues from the CEO and ensuring all relevant policies are observed and reviewed.

## **13. Other**

13.1 Prosecution, defence or settlement of material litigation actions.

13.2 Approval of the overall levels of insurance for the group including directors' and officers' liability insurance and indemnification of directors.

13.3 Annual review of this document and matters reserved strategy.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees and the schedule of CEO delegations.

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

## **Note:**

### **Full institutional approval is required for:**

- The appointment of nominated directors and other directors
- Any institution backed guarantees
- Any new borrowing or debt restructuring
- Confirmation of auditor appointments
- Major changes in corporate restructuring of FX Plus
- Agreement of delegated authorities of nominated directors and any changes thereof.