

FINANCE COMMITTEE

TERMS OF REFERENCE

UCAS ('THE COMPANY')

Security marking: CONFIDENTIAL

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1. Constitution

The Finance Committee ('the Committee') will have up to six members, a majority of whom will be independent trustees of the Company, and two will be co-opted members based on specific skills. One of the trustees must also be from the higher education sector.

The appointment of Committee members will be made by the Board on the recommendation of the Nominations Committee and in consultation with the Chair of the Committee. The Chair of the Board will appoint the Chair of the Committee who will be a trustee.

2. Term

Unless otherwise determined by the Board on the recommendation of the Nominations Committee, a trustee's appointment to the Committee will run concurrently with his or her term of office as a trustee of the Company. A trustee's appointment as a member of the Committee shall automatically cease when he or she ceases to be a trustee of the Company.

Co-opted members of the Committee shall be appointed for a period of up to four years, and the Board may extend that period for a maximum of a further four-year period, provided the Committee member still meets the criteria for membership of the Committee. The Board can remove a co-opted member at any time.

3. Quorum and Voting

The Committee will have a quorum of three, two of whom must be trustees of the Company.

Decisions at Committee meetings will be made by a majority vote, and each Committee member shall be entitled to one vote. In the event of an equality of votes at a meeting, the Chair will have a casting vote.

In the absence of the Committee Chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

4. Duties and Responsibilities

In respect of the Company, and as appropriate, any subsidiaries of the Company and the group as a whole, the Committee shall undertake and be responsible for the following:

4.1 Budgeting and Financial Performance

- > scrutinising the annual budget and operational plan prepared by the Executive and advising the Board on their adoption
- > reviewing management accounts, and monitoring performance against the financial and resource objectives approved in the operational plan and budget

- > reviewing the project portfolio against budget and operational plan
- > in accordance with the Company's delegated authority levels, reviewing capital expenditure policy for approval by the Committee for recommendation to the Board
- > considering the budgetary impact of proposed variations to activities through restructuring, acquisition/disposal or other significant changes, and report to the Board
- > monitoring the financial position and future prospects of the Company, and its subsidiary (if appropriate), to ensure that the Company can meet its commitments and strategic objectives.

4.2 Financial Strategy, Planning and Policy

- > keeping under review the long-term financial sustainability of the Company and its subsidiaries
- > reviewing the financial strategy and advising the Board on its approval. Monitoring and reporting on any subsequent changes
- > reviewing the investment policy regularly, including risk appetite, investment parameters, and ethical policy, and advising the Board on the adoption of any proposed changes
- > receiving reports from the Company's investment advisers and monitoring their performance against the investment policy
- > advising the Board on the financial impact of new accounting policies, laws, and regulations
- > reviewing annually the funding position of the Company's pension funds, and advising the Board on the financial implications
- > reviewing annually management's procedures for procurement, and the controls in place to ensure value for money.

4.3 Reporting

- > reviewing the annual report and accounts for consistency with financial information reviewed by the Committee during the year, and advising the Board on any differences
- > advising and/or making recommendations to the Board in respect of the above matters
- > making whatever recommendations to the Board it deems appropriate, on any area within the Committee's remit where action or improvement is needed.

4.4 Performance Evaluation

- > assessing the performance of the investment managers regularly, and agreeing with them and the Board any actions arising

- > assessing the performance and effectiveness of the Committee once a year, agreeing any actions arising, and recommending to the Board any changes it considers necessary
- > considering the appropriateness of the Committee's terms of reference, and advising the Board on any changes for approval
- > reporting annually to the Board on the work undertaken by the Committee, and to confirm its terms of reference.

From time to time, other senior members of staff connected with items of business may also be invited by the Chair of the Committee to attend all or part of any Committee meeting. Such members of staff in attendance will not be entitled to vote at any Committee meeting.

5. Resources

The Committee will:

- > have access to sufficient resources in order to carry out its duties, including access to the company secretariat for secretarial support and other assistance as required
- > 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.

6. Proceedings

The Committee will meet at least three times a year, unless otherwise determined by the Board. Meetings of the Committee will be called by the Company on behalf of the Chair, by notice served on the members of the Committee.

The notice of each Committee meeting, with the agenda and any supporting papers, will normally be sent by the Company to the members of the Committee, and any other person attending the meeting, no later than five working days before the meeting date.

Committee meetings may be held in person or by suitable electronic means agreed by the members of the Committee, in which each participant may communicate with all the other participants.

7. Minutes

The Company will minute the proceedings of the Committee meetings, which will be circulated to all members of the Committee and, following approval by the Chair, to the Board.

8. Authority and Regulation

In the exercise of the powers delegated to it by the Board to advise on, and recommend to the Board for approval the above matters, the Committee shall conform to any regulations and financial limits within which it is required to operate, as imposed on it by the Board. The Committee shall not exceed such financial limits without the authorisation of the Board.

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

9. In Attendance

The following individuals shall attend the meetings of the Committee:

- > the Chief Executive (non-voting)
- > the Director of Finance and Corporate Services (non-voting)
- > the Minute Secretary (non-voting)