



Matters Reserved for the Board

Prepared By:	Society Secretary / CGO	Date:	20 February 2024
Approved By:	Board	Date:	20 February 2024
Version:	2023	Effective Date:	20 February 2024
Previous version	2022.1	Approved date	26 April 2022

THE CHANNEL ISLANDS CO-OPERATIVE SOCIETY LIMITED

MATTERS RESERVED FOR THE BOARD

Previously approved by the Board of Directors on 30 June 2019 and amended on 26 April 2022.

The Board shall have the general control and direction of the affairs of the Society, including, but not limited to

1. MEMBERSHIP ISSUES

- 1.1 Agreement of all aspects of membership policy.
- 1.2 Encourage the growth of membership, its involvement in the affairs and participation in the governance of the Society in recognition that co-operatives are membership based.
- 1.3 Profit distribution policies and determination of dividend payments for Member's approval.
- 1.4 Approval of high level plans for the annual Members' meeting and other general meetings, including any draft agendas, proposed Rule changes and any resolutions and corresponding documentation to be put forward to Members at a Members' Meeting.

2. STRATEGY AND MANAGEMENT

- 2.1 Ensuring that the Society's affairs are conducted in accordance with its Rules, the best interest of the Society and its Members and in accordance with Co-operative Values and Principles.
- 2.2 Approval and review of the Society's objectives, strategies and policies with a view to delivering long term Member value, including review of performance against those objectives and strategies.
- 2.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 2.4 Oversight of the Society's operations ensuring:
 - i competent and prudent management;
 - ii sound planning;
 - iii maintenance of sound risk management and internal control systems;
 - v compliance with legal and regulatory obligations;
 - vi review of performance in the light of the Society's strategic aims, objectives, policies, business plans and budgets and ensuring that any necessary corrective action is taken.
 - vii approval of the extension of the co-operative's activities into new business or geographic areas.

- viii approval of any decision to cease to operate all or any material part of the co-operative's business.

3. FINANCIAL REPORTING AND CONTROLS

- 3.1 Review of systems for ensuring compliance with all legal requirements including review and approval of the annual report and financial statements, letter of representation attesting to the accuracy of the financial statements supplied by the co-operative to the auditor and all accounting policies.
- 3.2 Review of systems of audit, including receiving the auditor's report on the accounts and ensuring maintenance of a sound system of internal control and risk management including receiving reports on and reviewing the effectiveness of the co-operative's risk and control processes to support its objectives and strategies.
- 3.3 Approval of capital expenditure and disposals in excess of £250,000 for an individual project.
- 3.4 Approval of any changes in accounting policies or practices.
- 3.5 Approval of any policy in relation to dividends.
- 3.6 Declaration of dividends.

4. INTERNAL CONTROLS

- 4.1 Ensuring the maintenance of a sound system of internal control and risk management including:
 - i Deciding the types of risk the co-operative is prepared to take;
 - ii Monitoring the current risks the Society is facing and the risk register;
 - iii Receiving reports on, and reviewing the effectiveness of the internal controls to support its strategy and objectives;
 - iv Approving procedures for the detection of fraud and the prevention of bribery;
 - v Undertaking an annual assessment of these processes; and
 - vi Approving an appropriate statement for inclusion in the Annual Report.

5. CONTRACTS

- 5.1 Approval of capital expenditure in excess of 0.05% of Society Turnover except where such sums have already been approved as part of the budget process. Delegated authority is granted to the Chief Executive Officer to approve expenditure below this amount that is not covered by the overall capital budget previously approved by the

Board provided that the total aggregate expenditure approved under this delegated authority does not exceed 0.25% of Society Turnover in any financial year.

- 5.2 Approval of all business acquisitions and disposals.
- 5.3 Approval of all property acquisitions and disposals.
- 5.4 Approval of all land and building leasing transactions except where the Lessor is the Society' the Term is less than nine years and the rental is under £25,000 or in such circumstances, delegated authority is granted to the Chief Executive Officer and the Society Secretary to approve the transactions.
- 5.5 Approval of all funding arrangements proposed for the Society. In general, directors should seek independent external advice before considering proposals for property sale and leaseback transactions.

5.6 With regards to points 5.2 to 5.5 inclusive, the Board delegates authority to execute transaction documentation either to the CEO plus any other member of the Executive Leadership Team or to the appointed legal representatives where so appointed by the Board by way of Power of Attorney, where the Board has met to discuss and approve such transactions.

6. CONSTITUTION OF THE BOARD AND SENIOR APPOINTMENTS

- 6.1 The Society's Board as a whole shall be solely responsible for the appointment or termination of the Chief Executive Officer and the Society Secretary, including their terms of service, remuneration, pension entitlement, benefits-in-kind, and any commitments made to them on retirement or termination.
- 6.2 Ensuring adequate succession planning for executive and senior management.
- 6.3 Selection of the President of the Board and the Membership and chairs of the board committees.
- 6.4 Appointment of the chief executive, including terms and delegated authority, his/her performance appraisal and his/her removal from office including compensation terms for loss of office.
- 6.5 Approval of the Executive Management Structure.
- 6.6 Appointment or removal of the secretary.
- 6.7 Appointment, re-appointment or removal of the external Auditor to be put to Members for approval, following the recommendation of the Audit Committee.
- 6.8 Approval and review of the Society's Human Resources Policies.
- 6.9 Selection of candidates for election to external bodies e.g. Council of Co-operative Group.
- 6.10 Approval of any amendments to the recognised Trade Union's terms and conditions.

7. TALENT MANAGEMENT AND REMUNERATION PAY

- 7.1 The Board shall ensure that the Society's resourcing and talent management facilitates the development and maintenance of a sustainable organisational structure capable of supporting the Society's Business Plans and Strategic Mission.
- 7.2 The Board shall ensure that the Society's remuneration, including the pension provision and performance-related pay are sufficient to attract, motivate and retain Directors, Executive Leadership and Colleagues of appropriate calibre, whilst not being excessive.
- 7.3 The Board shall be required to approve any payments under the performance-related pay scheme before any such payments are made.
- 7.4 The Board shall take advice from the Recruitment & Remuneration Committee in exercising its oversight responsibilities in relation to talent management and remuneration.

8. DIRECTORS FEES AND REMUNERATION

- 8.1 Recommending the fee-level for the Directors for approval by Members.
- 8.2 Determining the remuneration of any professional external directors subject to the co-operative's governing document and member approval as appropriate.

9. DELEGATION OF AUTHORITY

- 9.1 The division of responsibilities between the Board, Board Committees and senior staff, which should be in writing.
- 9.2 Approval of the terms of reference of Board Committees.
- 9.3 Receiving reports from Board Committees on their activities.

10. CORPORATE GOVERNANCE MATTERS

- 10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees, individual Directors and the division of responsibilities.
- 10.2 Determining the independence of directors in light of their character, judgment and relationships.
- 10.3 Review of the Society's overall Corporate Governance arrangements.
- 10.4 Receiving reports of the views of the Society's Members to ensure that they are communicated to the Board as a whole.

- 10.5 Considering the balance of interest between Members, Employees, Customers, Suppliers and the Community.

11. POLICIES

- 11.1 Approval of all major policies, including the:

- i Code of Conduct for Directors;
- ii Anti-Bribery & Corruption Prevention Policy;
- iii Whistleblowing Policy;
- iv Equality & Diversity Policy;
- v Sustainability Policy;
- vi Health and Safety Policy
- vii Human Resources Policy including any training structures in place; and
- viii Anti Money Laundering/Counter Financing of Terrorism/Countering Proliferation Financing Risk Appetite, Assessment Strategy and Framework, including policies and procedures.

12. OTHER

- 12.1 Approval of the appointment of the Society principal professional advisors, where appropriate.
- 12.2 Approval of the overall levels of insurance for the Society including Directors' and Officers' Liability Insurance.
- 12.3 General policy on the use of litigation and major decisions on any particular piece of litigation capable of having a substantial financial bearing or impact on the reputation of the Society.
- 12.4 Changes to the board of trustees of The Channel Islands Co-operative Society Limited Employees' Superannuation Scheme.
- 12.5 This schedule of matters reserved for Board decisions.
- 12.6 Approval of any changes to the business structure.
- 12.7 Approval of the appointment of the Society's Key Persons.