

FAIRER FINANCE CONSUMER ADVISORY BOARD
TERMS of REFERENCE

Purpose

1. Fairer Finance (FF) shall establish and maintain a Consumer Advisory Board (CAB). The purpose of the CAB is to review the business of Fairer Finance so as to satisfy itself that the company's commercial relationships do not affect its analysis of firms and their products, its campaigns, its public pronouncements, or its policy advice.

Membership

2. The Chair of the CAB is appointed by the CAB itself, with the approval of the FF Board, which will not be unreasonably withheld. The Chair is appointed for an initial term of three years and will not be permitted to serve more than two terms. The Chair can be removed by a unanimous vote of the other members of the CAB.

3. The CAB shall have at least three, and no more than five, members, including the Chair. No employee of FF shall be a member. Appointments to the CAB and methods of recruitment are the responsibility of the members. Members of the CAB will be individuals of high standing and have a background or interest in retail financial services regulation or consumer representation work. The CAB Chair reports appointments to the Board of FF before they are announced publicly. Members of the CAB are appointed for an initial term of three years and may serve for a maximum of three terms.

Attendance at Meetings

4. Members of the CAB are expected to attend its meetings. Any employee or board member of FF may be invited to attend meetings. Exceptionally, and at its discretion, the CAB may invite other relevant individuals to its meetings.

Quorum

5. The quorum for the CAB is two thirds of the members, rounded downwards if this does not produce a whole number (ie, 2 out of 3, 2 out of 4, and 3 out of 5 depending on the number of members). Every effort shall be made to arrange meetings at a time that all members can attend. Meetings may take place face-to-face, or by telephone or video conference call.

Frequency of Meetings

6. The CAB shall meet at least twice per calendar year.

Powers

7. The CAB shall have access to the board papers and financial statements of FF, and the contractual arrangements between FF and its clients, in order to reassure itself that no commercial relationship exists that may prejudice the principle described in paragraph 1 of this document. The CAB will not offer any view on any other aspect of any contract (such as the financial terms, for example). It will offer a view on FF's general financial performance or corporate governance arrangements only to the extent that such matters are relevant to the purpose of the CAB as described in paragraph 1.

8. The CAB will receive, at each of its meetings, a report from the Managing Director of FF on recent business trends within the company.

9. As well as scrutinising FF's corporate activities, the CAB will, as and when requested by the FF Managing Director, provide input into FF's campaigning activities and will play a role in policy formation and the direction of future campaigns.

10. By agreement with the FF board Chair, the Chair of the CAB will normally attend FF board meetings and be invited to contribute to the discussion but will not be a member of the board.

Responsibilities

11. The CAB will produce an annual report, within four months of the end of the FF financial year. The annual report will initially be provided to the FF board, and then placed on the FF website. The report will describe the CAB's work, and comment on whether the CAB believes it has fulfilled its purpose, as described in paragraph 1, during the year.

12. The CAB will ensure that FF places these Terms of Reference on its website.

Reporting Lines

13. The CAB is accountable to the board of FF. It has no relationship with FF clients. The CAB reports to all FF stakeholders through publication of its annual report.

Review

14. The board of FF and the CAB will jointly review these terms of reference annually.

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