

PURPOSE

1. Fairer Finance shall establish a Consumer Advisory Board (CAB). The purpose of the CAB is to scrutinise the business of Fairer Finance (FF), ensuring that the company engages only in work that is to the clear benefit of financial services consumers, and to report on the outcome of its scrutiny.

MEMBERSHIP

2. The FF Board will appoint the Chair of the CAB. The Chair will be appointed for a term of three years, and will not be permitted to serve any more than three consecutive terms. The chair can only be removed by a unanimous vote by the FF board.

3. The CAB shall have at least three, and no more than five, members. No employee of FF shall be a member. Membership shall be determined initially by the Chair of the CAB, in consultation with the board of FF. Members of the CAB will be individuals of high standing in retail financial services, and will have a background of regulation and/or consumer representation work. Members of the CAB will be appointed for a term of three years, with no limit on the number of terms they can serve.

ATTENDANCE AT MEETINGS

4. Members of the CAB are entitled 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 will be 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 the meetings at a time that all members can attend. Exceptionally, members may attend through telephone conference facilities.

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 FF's commitment to serving only the consumer interest is upheld. The CAB will not offer any view on any other aspect of any contract (such as the financial terms of a contract, for example), or on FF's general financial performance or corporate governance arrangements, unless it believes that any of these matters impinge on the ability of FF to put the consumer interest first.

8. The board of FF will report to the CAB, in respect of each contract it signs with a financial services provider, on how it believes the work it is undertaking will be of benefit to financial services consumers.

9. The board of FF will report to the CAB on any consumer reaction (either by individuals or by a consumer representative body) to its work, as well as any correspondence with regulators or trade bodies.

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

11. The chairman of the CAB will be invited to each FF board meeting and invited to contribute to the discussion but will not be a member of the board, nor have any voting rights.

RESPONSIBILITIES

10. The CAB will produce an annual report, within four months of the end of the FF financial year, which will be initially presented to the FF board, and later placed on the FF website. The report will describe its work, and comment on whether it believes that FF has engaged only in work that is of clear benefit to financial services consumers.

11. The CAB will ensure that these Terms of Reference are placed on the FF website.

REPORTING LINES

12. The CAB will report only to the board of FF. It will have no relationship with FF clients.

REVIEW

13. The board of FF and the CAB will review the performance of the CAB within three months of the publication of the first CAB annual report. There will be a joint review of these terms of reference at the same time as the performance review.