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Private & Confidential

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## Consumers' Association Governance Review Committee

### Terms of Reference

#### Purpose

Which? recognises that it is a complex and unusual organisation: a membership charity and social enterprise that highly values and depends on its commercial businesses both as a means of achieving consumer empowerment and enabling it, as a charity, to remain independent of any government funding, donations or fundraising activity.

The organisation is in a period of transformation, needing to compete in an increasingly digital world to stay relevant and financially independent. It has reviewed and refreshed its strategy and is reviewing its subscription and customer recruitment model.

The Council of the Consumers' Association (**CA**) now wishes to continue with a governance review to ensure that its governance and ordinary membership arrangements work to maximise its ability to achieve its desired charitable and commercial strategic outcomes in a way which is reflective of One Which?, agreed organisational values and governance principles (set out in the Appendix). It has created the Governance Review Committee (the **Committee**) to assist with achieving this outcome, the specific purposes of which are to:

- Assess whether the CA's governance structure achieves the high level principles and expected outcomes set out in its Governance Principles and the new Charity Governance Code (the **Code**) and highlight opportunities, risks and compromises in the current multi-layered governance model<sup>1</sup>.
- Recommend what, if any, changes should be made to ensure that the Group's current arrangements and the roles and responsibilities of its different governance bodies are clear, best achieve the principles and outcomes set out in the Governance Principles and the Code and that its practices are consistent with the recommended practices in the Code for larger charities, or alternatively explain why practices which are not

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<sup>1</sup> The Council delegates review, making of recommendations and, in some cases, decision-making powers, in relation to certain group-wide and charity-specific issues to a number of committees – Group Audit & Risk, Remuneration, Nomination and Council Policy & Campaigns Sub-group. In addition, in accordance with company law and subject to the terms of a Memorandum of Understanding, the Which? Limited board is responsible for managing the businesses that it owns and the commercial strategy it adopts within the overall group strategy approved by Council. The board of Which? Financial Services Limited, a regulated subsidiary of Which? Limited, operates similarly.

consistent with the Code are appropriate for the Group and in line with the Governance Principles.

- Review and comment on the proposals from the Executive's member proposition work (**Member Proposition Work**) relating to the roles of different categories of members/subscribers/supporters of the Group in its governance and work with the member proposition project team to develop an integrated plan for implementation of Council adopted recommendations.
- Review the Group's relationship with ordinary members, taking account of the Member Proposition Work, to assess and provide recommendations to Council in relation to:
  - the current criteria for becoming an ordinary member, the number of ordinary members and where ordinary members should be drawn from;
  - the powers and responsibilities of ordinary members;
  - how the Group could better articulate the role of ordinary members in Which?'s governance;
  - whether there are additional or alternative forums/committees that should be introduced, or other actions that should be taken, to enhance the relationship with ordinary members and the CA's governance in a way which is consistent with the Governance Principles; and
  - the proposals that ordinary members resolved to request Council to consider at the 2017 AGM, namely the establishment of a standing body consisting of all trustees and thirty ordinary members, representing the regions of the UK.
- To consider any other matters relating to governance during the course of the review.

## **1. Constitution**

At a meeting of Council of CA held in September 2017, it was resolved that a committee of Council be established for the purpose of undertaking the review outlined above (the **Review**).

## **2. Membership**

2.1 The Committee shall comprise at least an Independent Chair, the Chair of Council, three Council members and may contain other members, such as a second independent member or the Group CEO. The initial members are: Deirdre Hutton (the Independent Chair), Tim Gardam, Jenny Oscroft, Donald Grant, Anna Walker and Julia Unwin (independent member).

2.2 The Independent Chair shall be appointed by the other members of the Committee following such appointment processes as they consider appropriate, as agreed by Council in September 2017.

2.3 The Independent Chair shall be appointed for the period of the Review and Council will resolve when the Review has completed, following recommendations from the Committee.

2.4 The Committee members are authorised to decide whether there should be additional

members appointed to the Committee, for example a representative of the Which? Limited board and/or other independents.

2.5 The Company Secretary of CA or his/her nominee shall act as secretary of the Committee.

### **3. Quorum**

The quorum necessary for the transaction of business shall be three members, including the Independent Chair or Independent Member.

### **4. Notice of meetings**

4.1 Meetings of the Committee shall be convened by the Committee secretary at the request of the Chair.

4.2 Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, in general five working days before the date of the meeting and, in any event, as far in advance of the meeting as is reasonably practicable. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

4.3 Notices, agendas and supporting paper can be sent in electronic form where the recipient has agreed to receive documents in such a way.

### **5. Attendance at Meetings**

The General Counsel and Company Secretary, and Head of Corporate Governance and Secretariat shall normally attend meetings at the invitation of the Independent Chair. Others, such as the Group Marketing Director or Group Communications Director, may be invited to attend on an ad hoc basis.

### **6. Frequency of Meetings**

The Committee shall meet as required.

### **7. Ability to take decisions outside of meetings**

The Committee may take decision outside meetings if those Committee members who form a quorum for a meeting indicate to each other by written means (including by email from a nominated email address) that they share a common view on a matter.

### **8. Duties**

The Committee shall:

8.1 agree its approach to undertaking the Review in line with the Committee's Purpose;

8.2 undertake the Review in a timely manner;

8.3 provide reports to Council at various stages during the Review on firstly the current

- issues, secondly draft recommendations that are consistent with the Governance Principles, with the aim of final recommendations and proposals to be drafted for the AGM in November 2019; and
- 8.4 if requested by Council, provide a summary form of the Review and recommendations to be made publicly available.

## **9. Authority**

- 9.1 The Committee is authorised to:
- investigate any activity within its Terms of Reference;
  - appoint, in liaison with the Company Secretary, external advisory firms who may assist with the Review, agreeing their remit of work and fees;
  - call upon the Company Secretary and such other employees and internal resources as it considers it reasonably needs to assist with the Review; and
  - call upon Council members and other stakeholders to contribute to the Review in such manner as the Committee sees fit.
- 9.2 The Chair is authorised to observe meetings of Council, group committees and the Which? Limited board.

## **10. Reporting**

- 10.1 The Independent Chair shall report to Council regularly, either in person or in writing, on the progress of the Review.
- 10.2 The Committee members shall conduct a review of the Committee's effectiveness on conclusion of the Review and report its conclusions to Council.
- 10.3 The Committee's duties and activities during the year shall be disclosed as part of the Group's end of financial year reporting.
- 10.4 The Independent Chair (or, if unavailable, another Committee member who is not the Council Chair or Group CEO) shall attend the 2018 and 2019 Annual General Meeting of the CA and be prepared to answer questions on the Committee's activities.