

Name of Management Committee Member  
Address 1  
Address 2  
Address 3

Date

Dear

### **APPOINTMENT AS A MANAGEMENT COMMITTEE MEMBER**

On behalf of the Society I write to confirm your appointment as a member of the Management Committee of the Society with effect from [ ]. It is agreed that this is a contract for services and is not a contract of employment. The terms of the appointment are as follows.

#### **Appointment**

The appointment is for a term of three years commencing on [ ], unless otherwise terminated by and at the discretion of either yourself or the Society as prescribed within the Society's rules, and contingent on re-election at future AGMs. Should your appointment continue for more than nine years you will be required to put yourself forward annually for re-election.

#### **Time Commitment**

Overall it is anticipated that a time commitment of twelve days per year will be required. This will include attendance at meetings of the Committee and any sub-Committee on which you serve. In addition you will be expected to devote appropriate preparation time ahead of each meeting and in reading and digesting monthly management reports.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. The Chairman should be informed before accepting additional commitments that might impact on the time you are able to devote to your role as a member of the Management Committee.

#### **Outside Interests**

It is accepted and acknowledged that you might have business interests or appointments other than those of the Society and have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairman as soon as apparent.

#### **Independence**

The Management Committee has determined you to be independent in accordance with provision A3.1 of the annotated Corporate Governance Code and you will be identified as such in the annual report and other documentation. If circumstances change and you believe it may not be possible for you to retain your independence you should discuss this with the Chairman as soon as practicable.

You will be required to meet and maintain the standard of “Fit and Proper” as determined by the Prudential Regulation Authority (PRA)/Financial Conduct Authority (FCA) and your reappointment will be subject to you maintaining your registration with the PRA/FCA as an Approved Person and for undertaking a Controlled Function i.e. that of Non Executive Director, CF2.

### **Role**

As a member of the Management Committee you have the same general legal responsibilities to the Society as any other Committee member. The Management Committee as a whole is collectively responsible for the success of the Society. The Management Committee:

- provides entrepreneurial leadership of the Society within a framework of prudent and effective controls which enable risk to be assessed and managed
- sets the Society’s strategic aims, ensures that the necessary financial and human resources are in place for the Society to meet its objectives, and reviews management performance
- sets the Society’s values and standards and ensures that its obligations to its members and others are understood and met.

All Committee Members must take decisions objectively in the interests of the Society and of the membership.

In addition to these requirements, the role of the Management Committee Member has the following key elements:

- **Strategy** – The Management Committee should constructively challenge and help develop proposals on strategy
- **Performance** – The Management Committee should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance
- **Risk** – Management Committee Members should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible; and
- **People** – Management Committee Members are responsible for determining appropriate levels of remuneration of Senior Management and have a prime role in appointing and, where necessary removing, Senior Management and in succession planning.

Though some aspects of the above may be delegated to be debated by sub-Committees, the ultimate responsibility remains with the Management Committee.

### **Fees**

You will be paid fees at amounts and intervals to be determined from time to time by the Management Committee. Additionally you will be paid a meeting attendance allowance at a rate to be determined from time to time by the Management Committee. Both will be subject to an annual review by the Management Committee. The Society will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office.

### **Confidentiality**

All information acquired during your appointment is confidential to the Society and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Chairman

**Training**

The Society will provide you with regular training on matters of regulation and compliance as well as helping you to remain up to date with financial services regulation specifically. You will be supported to obtain industry specific qualifications. You will be encouraged to attend seminars organised by, amongst others, our trade body, the Association of Financial Mutuals.

**Review process**

The performance of the Management Committee as a body, the Society Chairman, and individual Members of the Management Committee is evaluated annually. If, in the interim, there are any matters that cause you concern about your role you should discuss them with the Chairman as soon as is appropriate.

**Insurance**

The Society maintains Directors' and Officers' liability insurance and it is intended to maintain such cover. The current indemnity limit is £1,000,000 and a copy of the policy document is available on request.

**Independent professional advice**

Occasions may arise when you consider that you need professional advice in furtherance of your duties as a Management Committee Member. Circumstances may occur when it will be appropriate for you to seek advice from independent advisers at the Society's expense. A copy of the Committee's agreed procedure under which such independent advice may be sought is available on request.

**Committees**

This letter refers to your appointment as a Member of the Management Committee. In the event that you are asked to serve on one or more sub-Committees, this will be covered in a separate communication setting out the Terms of Reference of that sub-Committee, any specific responsibilities and any additional fees that may be involved.

**Jurisdiction**

This letter is governed by, and shall be construed in accordance with, the laws of England, and the parties agree to submit to the exclusive jurisdiction of the courts of England.

Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Yours sincerely

Rob Leddington  
Chief Executive & Secretary  
For and on behalf of Railway Enginenen's Assurance Society Limited

I have read and agree to the above terms regarding my appointment as a Member of the Management Committee of Railway Enginenen's Assurance Society Limited.

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[ ] (Date)