



Board of Directors

Chairperson

Role Description

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1. Introduction and purpose

The principal role of the Chair of the Board of Directors (the 'Chair', and the 'Board', respectively) of Scottish Universities Community Bank is to provide leadership to the Board. Ensuring it carries out its responsibilities efficiently and effectively and holds management to account through the effective oversight and scrutiny by the board as a whole. The desired outcome is an effective board that:

- establishes a sustainable business model and a clear strategy consistent with that model;
- articulates and oversees a clear and measurable statement of risk appetite against which major business options are actively assessed; and
- meets its regulatory obligations, is open with the regulators and sets a culture that supports prudent management.

The Chair is appointed by the board at the meeting immediately following the Annual General Meeting. Even so, the Chair is accountable to the board of directors and has no individual or authority unless delegated by the board. The Chair can only reflect the collective view of the board, as determined in board meetings, and it is only this collective voice that has ultimate authority in the credit union.

As both leader and representative of the board, the Chair embodies one of the two major poles of influence in the credit union. The other is that of the Chief Executive Officer (CEO).

The Chair's role is to

- Ensure effective board control, oversight, and accountability to the members, whereas the CEO is tasked to lead on executive management;
- Take an active interest in all aspects of the work of the credit union;
- To see the board's strategy is communicated and acted on; and
- To ensure good working relations between the board, management, staff & volunteers.

The Chair is subject to the FCA Senior Manager Regime and ideally registered as SMF8. The role is voluntary. Reasonable expenses may be paid, subject to board approval.

2. Governance

Responsibilities for Governance are shared with the Secretary.

The Chair ensures the board works with a continually improving governance framework. The foundation is an annual cycle to develop the annual plan; set the budget; express our risk appetite and manage risk; inspect and review progress during the year; produce the Annual Report and run the AGM.

The Chair should ensure policies that apply to SUCB's business and the policies that apply to the board are in place and regularly reviewed.

With a proportionate approach to business monitoring this cycle is also a compliance calendar. It leads to a board meeting agenda with monthly, quarterly, bi-annual, and annual items, according to the focus needed.

Within the cycle, the board expresses SUCB's strategy for the CEO to follow when developing the 3-year plan. Strategy setting should include development of our culture, ethics, and values.

While some board items are delegated to committees to enable more detailed work, responsibility is never delegated, and decisions are owned by the board as a whole.

3. Board and Member Meetings

Responsibilities for planning Board meetings and the AGM are shared with the Secretary.

The Chair presides at board meetings and at annual and special meetings of members. If unable to be present the Chair will ensure a suitable deputy is nominated (normally the Vice-Chair, if in place). The Chair, or their deputy:

- is responsible for the conduct and procedures to be followed at Board meetings and decides who may be present in addition to the Directors and Secretary;
- sets the agenda for board meetings, to follow and deliver our annual compliance cycle, with required decisions clearly stated. This should ensure that the board agenda focuses proportionately on strategy and risk oversight, performance monitoring, accountability to the membership and on major issues facing the credit union;
- ensures the agenda and materials are available to board members in a timely fashion so directors have time to understand each agenda item and the decision to be taken;
- ensures open discussion and collective, preferably consensual, decision making; and
- provides an annual report which is presented at the Annual General Meeting. The board is accountable to members for credit union performance and the report should clearly and openly report on successes and challenges.

4. Board, Committee and Director Effectiveness

Directors' responsibilities require them to both support and oversee executive management. As board members, all share in the wider board duty to promote SUCB's success and to ensure we continue to meet the PRA's Threshold Conditions.

The board should articulate and maintain a culture of risk awareness and ethical behaviour for the entire organisation to follow in pursuit of our goals. To this end, the Chair encourages debate at board meetings to resolve controversy and secure agreement.

So, the board works effectively and in members' interests, the Chair:

- enables and facilitates open discussion in meetings, ensuring that everyone has a chance to speak and take part;
- ensures that board members receive accurate, timely and clear management information on the performance of the credit union;
- ensures committees report their activities to the board and their proposals agreed;
- ensures a regular board effectiveness evaluation and implements improvements;
- reviews and assesses director attendance, training, and performance;
- leads the orientation and mentoring of new directors; and
- participates in ongoing formal and informal communication with and between directors and facilitates effective communication between directors, management, and the wider credit union team.

5. Leadership

The Chair provides leadership to enable the Board to carry out its duties and responsibilities according to the expectations of the PRA. The Chair:

- works with the board and CEO to create and monitor the credit union's vision, business plans, annual budgets, policy implementation and succession planning;
- works with the CEO to present the credit union's vision and strategies to members and the outside world;
- provides advice and mentors fellow board members and the CEO;
- guides the work of Board committees to ensure coherent decision making; and
- responds to stakeholder concerns regarding governance or other Board matters.

6. General

The Chair takes a leading role in determining the composition of the board and its committees to achieve maximum effectiveness.

If the CEO is paid, the Chair.

- Recommends CEO remuneration.
- Advises the Board on the performance of the CEO and succession planning for this role.

7. Regulatory Requirements

PRA Supervisory Statement SS5/16: [Corporate governance: Board responsibilities](#)

8. Document History & Review.

These Terms of Reference will be reviewed at least annually, for Board ratification.

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