



**The Royal Institution**  
of Great Britain

**Terms of Reference of the Finance Committee  
OF THE  
ROYAL INSTITUTION OF GREAT BRITAIN**

## **1. Background**

- 1.1 The Byelaws of the Royal Institution of Great Britain (the **Institution**) adopted at a Special General Meeting of the Members of the Institution held on 3 March 2011 (the **Byelaws**) require that the Institution establish a Finance Committee (the **Committee**).
- 1.2 These Terms of Reference set out the extent of the powers delegated to the Committee by the Byelaws and by the Trustees of the Institution (the **Trustees**) together with procedural and other matters.
- 1.3 In these Terms of Reference:
  - 1.3.1 a reference to a Byelaw is a reference to the relevant section of the Byelaws;
  - 1.3.2 a reference to a paragraph is to a paragraph in these Terms of Reference;
  - 1.3.3 the use of emboldening in the text indicates that a term or expression is defined for the purposes of the remainder of the document.
- 1.4 In the event of a conflict between these Terms of Reference or where they are silent on a matter which is covered by the Byelaws, the Byelaws shall prevail/apply.

## **2. Membership**

- 2.1 The provisions of Byelaw 20 shall apply to the composition of the Committee, namely:
  - 2.1.1 there shall be no less than five and no more than seven members of the Committee, of whom a majority shall be Members of the Institution;
  - 2.1.2 two-thirds (or the number nearest two-thirds) of the members of the Committee shall be appointed by the Trustees on the basis of skill;
  - 2.1.3 the remaining one-third (or number nearest one-third) of the members of the Committee shall be co-opted by the Committee itself; and
  - 2.1.4 two members of the Committee shall be Trustees but a majority of the members of the Committee shall not be Trustees.
- 2.2 Subject to paragraph 2.3 members of the Committee shall serve for a term of three years from the date of their appointment, renewable up to a maximum of three terms (nine years).
- 2.3 The term of office of a member of the Committee automatically terminates when:
  - 2.3.1 they cease to be a Trustee of the Institution, in the case of Trustee

members; or

2.3.2 they receive written notice of removal as a member of the Committee from the Trustees; or

2.3.3 they have not agreed to complete an additional term, or is not requested to complete an additional term; or

2.3.4 they have completed three terms.

### **3. Chair**

3.1 The Chair of the Committee shall be a Trustee and shall be appointed by the Trustees.

3.2 In the absence of the Chair of the Committee at a meeting of the Committee, the remaining members of the Committee present shall elect one of their number to chair the meeting.

### **4. Secretary**

4.1 The Committee shall have a Secretary who shall be appointed by the Committee.

4.2 The Secretary shall take proper minutes of all meetings of the Committee and, once the minutes are approved by the Committee, shall send a copy of them to the Trustees.

### **5. Meetings**

5.1 The Committee shall meet as often as the Chair shall require in order for it to fulfil the functions allocated to it by the Byelaws and in any event at least quarterly in each year.

5.2 Any members of the Committee may request a meeting if they consider that one is necessary or expedient.

5.3 Only members of the Committee shall be entitled to attend a meeting of the Committee. Attendance by non-members shall be at the discretion of the Chair of the Committee.

5.4 Notice of each meeting, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee not fewer than seven days prior to the date of the meeting (or such shorter period as members of the Committee shall agree).

5.5 All reasonable efforts shall be made to arrange meetings of the Committee so that all members of the Committee and invitees are able to attend.

5.6 The quorum shall be three members of the Committee including at least one member who is also a Trustee.

5.7 Members of the Committee may participate in or hold a meeting of the

Committee by means of conference telephone or other similar communications equipment so that all persons participating in the meeting can hear or speak to each other. Participation by such means shall be deemed to constitute presence in person and business so transacted shall be effective for all purposes as that of a meeting of the Committee duly convened and held with such persons physically present.

- 5.8 A resolution in writing (which may include e-mail) passed by a majority of the members of the Committee shall be as valid and effective as if it had been passed at a meeting of the Committee.
- 5.9 Matters for decision shall be decided on a show of hands. In the case of an equality of votes, the Chair of the meeting shall be entitled to an additional or casting vote.

## **6. Delegated Responsibility and Authority**

- 6.1 The Committee shall undertake the functions allocated to it in the Byelaws, namely it shall have oversight of the Institution's financial management and investments and in particular, the Committee shall:
- 6.1.1 advise the Trustees on the overall financial policy of the Institution and its execution;
  - 6.1.2 review and, if necessary, revise the annual income and expenditure estimates prepared by the staff of the Institution and submit the same to the Trustees for approval together with regular monitoring reports and advise on the limits of expenditure which can be incurred;
  - 6.1.3 advise the Trustees on the development and implementation of the Institution's investment policy;
  - 6.1.4 propose to the Trustees new, modified, alternative means of increasing the Institution's funds;
  - 6.1.5 make recommendations to the Trustees on the appointment of suitable companies or firms to advise the Committee and the Trustees in relation to the banking arrangements, investments and/or other matters relating to the finances of the Institution and to monitor the performance of any companies or firms appointed by or on behalf of the Trustees; and
  - 6.1.6 advise the Trustees on any matters referred to it by the Trustees and any other matter the Committee considers should be brought to the attention of the Trustees in relation to the finances of the Institution.
- 6.2 The Committee may seek any information it requires from any Member, prospective Member, employee or Trustee and may (subject to any constraints placed on it by the Trustees from time to time for the proper management of the resources of the Institution):
- 6.2.1 request access to all papers, records, information and professional advice given to or under the control of the Institution;

- 6.2.2 request the Ri Director to allow any member of staff of the Institution to attend its meetings to provide reports or to answer questions; and
  - 6.2.3 take its own professional advice, subject to any budget given to it (or, in the event that it has no budget, subject to prior approval by the Trustees).
- 6.3 The Committee shall not make any approach to a consultant or other provider of services to the Institution without further authority from the Trustees.

## **7. Accountability**

- 7.1 Any delegation of powers to the Committee shall be revocable at any time by the members of the Institution in general meeting.
- 7.2 Copies of all minutes of the Committee shall be circulated to all members of the Committee and to the Trustees promptly after each Committee meeting.