

CHARTER

TIO Board of Directors

Date: 14 November 2017

TIO Board of Directors Charter

Introduction

This Charter has been adopted by the Board of Directors of Telecommunications Industry Ombudsman Limited (**TIO Limited** or **Company**) to assist the Board in the exercise of its functions and responsibilities.

The principles and policies set out in this Charter are in addition to and are not intended to change or interpret any laws or the application of the company constitution of TIO Limited.

1. Purpose

- (1) The Board of Directors is vested with responsibility for managing the business, affairs and property of TIO Limited in accordance with the Company constitution and the TIO Terms of Reference (**ToR**).
- (2) The Board is mindful, in undertaking this responsibility, that TIO Limited is a company limited by guarantee whose objects, briefly stated¹, are:
 - (a) to operate the Telecommunications Industry Ombudsman (**TIO**) scheme; and
 - (b) to appoint an Ombudsman with power to receive, investigate, make decisions relating to and facilitate the resolution of complaints by residential and small business consumers of telecommunications services.
- (3) In carrying out its responsibilities, the Board recognises its responsibility to act honestly, fairly, diligently and in accordance with the law.
- (4) The Board is accountable to members of TIO Limited, while at the same time having proper regard for the interests of all stakeholders.
- (5) The Board recognises that the independence of the Ombudsman's role is of paramount importance to the TIO scheme and scrupulously avoids:
 - (a) becoming involved in the detail of any actual or potential complaint to the Ombudsman; and
 - (b) any action that could be regarded as prejudicing or undermining confidence in, or as having the potential to prejudice or undermine confidence in, the independence of the Ombudsman or the TIO scheme.

2. Responsibilities

- (1) The Board's responsibilities are set out in the ToR as follows:
 - (a) managing the business, affairs and property of TIO Limited;
 - (b) monitoring the overall performance and results of TIO Limited and the TIO scheme;

¹ For the full text of the objects of the Company, see company constitution, clause 3

- (c) setting goals and the overall strategy for TIO Limited and the TIO scheme;
 - (d) efficiently and effectively managing TIO Limited's finances, including by:
 - (i) overseeing the Ombudsman's management of spending;
 - (ii) overseeing TIO Limited's capital management, funding and cash flows, including ensuring sufficient funding for the TIO scheme; and
 - (iii) setting financial delegations;
 - (e) overseeing TIO Limited's systems for risk management, auditing and legal compliance;
 - (f) appointing and terminating the appointment of the Ombudsman;
 - (g) appointing and terminating the appointment of any Acting Ombudsman;
 - (h) making policies and procedures for TIO Limited and the TIO scheme, subject to any delegation of this responsibility to the Ombudsman;
 - (i) providing advice to the Ombudsman; and
 - (j) maintaining the Ombudsman's independence.
- (2) In addition to matters expressly required by law to be approved by the Board, and subject to any specific provisions in the Company constitution or the ToR, powers specifically reserved for the Board are:
- (a) Appointment of the Independent Chair and other Directors.
 - (b) Selection, appointment and removal of the Ombudsman, and the determination of terms and conditions of service (including remuneration).
 - (c) Membership, charters and chairs of Board Committees, and matters referred to the Board by its Committees.
 - (d) Any matters in excess of limits delegated to the Ombudsman and senior management.
 - (e) Approving each of the following:
 - (i) appointment and removal of the Company Secretary;
 - (ii) strategic plan and budget, at least annually;
 - (iii) the acquisition, establishment, disposal or cessation of any significant business of the Company;
 - (iv) major capital projects and related expenditure;
 - (v) land and building leases;
 - (vi) capital management;
 - (vii) major financing facilities and the giving of security over group assets (including mortgages and charges over the Company's property);
 - (viii) approval of year-end financial statements;

- (ix) any public statements which reflect decisions by the Board;
 - (x) delegations manual, capital expenditure policy, Treasury policy and other key policies as determined by the Board, other than policies and procedures relating to complaint-handling and systemic problems;
 - (xi) any changes to the powers delegated by the Board;
 - (xii) appointment of external and internal auditors and their respective annual audit fees;
 - (xiii) any changes to the powers specifically reserved for the Board.
- (3) The Independent Chair and the Ombudsman have responsibility for speaking publicly on behalf of TIO Limited and the TIO scheme. Individual Directors are expected not to communicate with media representatives in relation to the Company's affairs without prior consultation with the Chair and the Ombudsman.
- (4) In performing its responsibilities the Board acts at all times:
- (a) In the best interests of TIO Limited as a whole, irrespective of individual members' personal, professional, commercial or other interests, loyalties or affiliations.
 - (b) In accordance with the duties and obligations imposed by the Company's constitution and by law.
 - (c) In a manner consistent with this Charter, with the overall business objectives and the Role, Vision and Values of TIO Limited and with any policies approved by the Board from time to time, including in particular any policy dealing with proper management of Directors' conflicts of interest.

3. **Composition**

- (1) The Board will consist of:
- (a) three Directors With Consumer Experience;
 - (b) three Directors With Industry Experience;
 - (c) two Independent Directors, one having not-for-profit governance experience and one having commercial governance experience; and
 - (d) the Independent Chair.
- (2) The Independent Chair is responsible for leadership of the Board and acts as Chair of meetings of the Board.

4. **Meetings**

- (1) The Board holds at least six regular meetings per year and such additional meetings as the Chair or the Board decides are required in order to fulfil its duties.

- (2) The terms of the Company's constitution governs the conduct of meetings and proceedings of the Board, so far as the Company's constitution applies.
- (3) The agenda for Board meeting is prepared by the Company Secretary in conjunction with the Chair and the Ombudsman. Standing items include:
 - (a) Disclosures of Directors' interests
 - (b) Board Action list
 - (c) Committee reports
 - (d) Schedule of Board appointments
 - (e) Correspondence
 - (f) Ombudsman Report
 - (g) Finance and operations report
- (4) The Ombudsman is expected to attend all meetings of the Board.
- (5) Other parties, including Management and external advisers, may be invited to attend meetings of the Board at the Board's discretion.

5. Secretariat

- (1) The Company Secretary, or in the Company Secretary's absence such other person approved by the Chair, is Secretary to the Board.
- (2) Minutes of Board meetings are maintained by the Company Secretary.
- (3) The Company Secretary, is responsible for:
 - (a) maintaining an action list;
 - (b) after consultation with the Chair, drawing up the agenda so that the Board observes any calendar of events that may be approved by the Board from time to time;
 - (c) preparing the Board papers;
 - (d) circulating the papers to Board members at least five business days prior to each meeting;
 - (e) circulating the minutes of the meeting of the Board to all members of the Board for comment before being signed by the Chair; and
 - (f) ensuring that key messages and decisions of the Board are published at least quarterly, or as requested by the Board.

6. Board Committees

- (1) In addition to the Nominations Committee which is established under the Company's constitution², the Board may from time to time establish other Committees, including an Audit, Finance, Risk & Compliance Committee, to assist in the execution of its responsibilities³.

² See company constitution, clause 12.2

³ See company constitution, clause 14.5

- (2) The terms of the Company's constitution governs the conduct of meetings and proceedings of Committees, so far as the Company constitution applies.
- (3) Each Committee will have a Charter approved by the Board.

7. Board evaluation

- (1) The Board must undertake regular evaluations of itself and its performance.
- (2) Performance evaluations may be conducted in such manner as the Board considers appropriate and may involve the engagement of an external consultant.

8. Board Charter

- (1) The Board must review this Charter at least annually to provide assurance that it remains consistent with the Board's objectives and responsibilities.
- (2) The Board may make such amendments to this Charter as the Board considers appropriate from time to time.
- (3) The Board Charter is to be made available by the Company Secretary, upon request, to all members of the Board, the TIO Executive Team and, as appropriate, other interested parties.
- (4) The Board Charter is to be published on the website of TIO Limited.

This Charter is dated 14 November 2017 and supersedes any Charter or terms of reference previously in force.