

## TERMS OF REFERENCE OF FINANCE COMMITTEE

### 1. Purpose

The Finance Committee is responsible to the Management Board for:

- Ensuring RICS operates appropriate financial and accounting policies globally.
- Assessing the financial performance of RICS
- Determining the strategy for management of RICS investments ensuring appropriate reserve levels and generating adequate returns.
- Setting non - executive remuneration levels
- Monitoring and managing the impact on the Institution's liquidity of significant income and expenditure items e.g. variation in subscription income, the Institution's contribution to pension funds of staff.
- Conducting regular financial scenario planning and recommending the long term investment plan and framework.

### 2. Membership

The Finance Committee will be comprised of:

Up to 8 Members, 3 of whom shall be independent non-executives and to include:-

- The Honorary Treasurer (Chairman)
- The Finance Director
- 1-2 Senior Staff
- 3 - 4 non-executives, one of whom should have investment experience.
- 2 independent non-executives with experience in relevant financial matters including investment and risk."

The Chairman (or Vice-Chairman) of Management Board or the Honorary Secretary may attend the Committee. Others may be invited by the Chairman to attend all or part of any meeting.

### **3. Appointments and Terms**

Members of the Finance Committee will be appointed by the Management Board in accordance with (RICS Regulations) for a term not exceeding 3 years and may be re-appointed for one further term. Maximum period of service is 6 years.

### **4. Chairman**

The Honorary Treasurer will be the Chairman of the Finance Committee. In the absence of the appointed Chairman, the committee members will elect a Chairman for the duration of the meeting.

### **5. Secretary**

The nominee of the Finance Director will act as the Committee Secretary

### **6. Quorum**

The quorum of the Finance Committee meetings shall be 3 members eligible to attend and able to vote, including the Finance Director or his alternate and one of the Chairman or Vice-Chairman.

### **7. Frequency of Meetings**

The Committee will expected to meet 4 times per Session or as required by the Chairman.

### **8. Notice of Meeting**

Unless otherwise agreed, notice of each committee meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, will be forwarded or notified to each member of the Committee and any other person required to attend, no later than 5 working days before the date of the meeting.

### **9. Conduct of Meetings**

Except as outlined above, meetings of the Finance Committee will be conducted in accordance with the provisions of the RICS Charter, Bye-laws and Regulations which allow telephone and non face to face meetings to take place.

An approval or resolution of the Finance Committee may be passed by a simple majority of those present and entitled to vote at the meeting.

Finance Committee may make arrangements to pass resolutions between meetings either in writing or by electronic communications. Any decision made by the Finance Committee outside a meeting must be notified to the Finance Committee at its next meeting and recorded in the minutes.

Any member of the Finance Committee who has a material interest relating to any decision to be made by the Finance Committee must declare his interest before the item relating to that decision is discussed and will not be entitled to vote on that decision. The Chairman will have the final ruling on whether or not the member is entitled to vote.

## **10. Minutes of Meetings**

The Committee Secretary will take minutes of the meeting and circulate a draft to the chairman within 7 days of the meeting. Final minutes will also be provided to the Chairman of Management Board for information.

## **11. Duties and responsibilities**

- a. To review RICS annual budget, financial forecasts, and annual or interim financial statement and monitor operational financial performance against Business Plan
- b. To recommend changes to financial policies or controls
- c. To recommend to Management Board the appointment of investment and fund managers and report on the investment and fund managers' performance
- d. To report errors, omissions and breaches of RICS investment policy and other significant financial matters to Management Board
- e. To monitor the performance of the RICS investments and changes instructed by the Finance Director in setting operating parameters for RICS fund managers and sanctioning specific actions outside those parameters.
- f. To satisfy itself that appropriate arrangements exist to identify significant financial risks.
- g. To review annually and agree the remuneration levels of Board and committee non executive members and honoraria.

- h. To proactively manage the RICS' contribution to pension funds of staff
- i. To oversee the funds and any claims against the MSS funds or other matters arising in relation to the Members Support Service
- j. To investigate any activity within its role. It is authorised to seek any financial information it requires from any member of staff, and all members of staff are directed to co-operate with any request made by the Committee.
- k. To obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary

## **12. Reporting Responsibilities**

The Chair of the Finance Committee will submit a summary of the activities of the Committee to Management Board promptly after every meeting.

Summaries of the Committee's duties and its activities shall be disclosed in the annual financial statements.

The Chairman of the Committee shall attend the Annual General Meeting and shall answer questions on the Committee's responsibilities and activities.

## **13. Delegation of duties**

The Finance Committee may delegate any of its duties to sub committees. it requires to effectively undertake its responsibilities and may approve the terms of reference, membership and any delegated authority to its sub-committees.

## **14. Terms of Reference**

The Terms of Reference of the Finance Committee will be reviewed every 2 years and recommended changes submitted to the Management Board for review.