

## Fraternal Board

References within this document to “FB” means the Fraternal Board and “Board” means Main Board.

### 1 Membership

- (1) The Grand Master of the Order (GM) shall be the Chairman of the FB, and shall be appointed as such at the first meeting of the FB following the AMC. In the absence of the FB Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- (2) The FB shall be made up of at least six persons, and should include:
  - Grand Master
  - Deputy Grand Master
  - CEO/Secretary of the Order
  - Immediate Past Grand Master
  - Two Member Elected Non Executive Directors (MNED)

Subject to acceptance by the <sup>1</sup>PRA / FCA Regulated Role or certification regime.

The Chairman of the Board is a member by virtue of his Office and has voting rights.

- (3) The FB can include co-opted members subject to Main Board resolution. Voting rights of co-opted members shall be agreed by the FB.
- (4) Only members of the FB have the right to attend FB meetings. However, other individuals such as Managers may be invited to attend all or part of any meeting as and when appropriate.

### 2 Secretary

The designated Clerk to the FB or their nominee shall act as the Secretary of the FB.

### 3 Quorum

The meeting is deemed to be quorate providing at least four members are present, one of whom must be the CEO/Secretary of the Order or the Grand Master. In the event that a quorum on this basis is not possible FB may have their meeting via Conference Call to ensure a quorum. A duly convened meeting of the FB at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the FB.

### 4 Frequency of Meetings

- (1) The FB meets on at least five occasions in the year, on dates to be agreed by the FB.

---

<sup>1</sup> PRA Senior Insurance Managers Function (SIMF), FCA Controlled Function (CF) and/or PRA/FCA Notified NED / Additional Key Function Holders

- (2) Subject to prior notice given in accordance with 5 below, a meeting may be convened for a date other than a scheduled date, at the request in writing of any member of the FB.

## **5 Notice of Meetings and FB papers**

- (1) Meetings of the FB shall be summoned by the Clerk to the FB issuing written notice not less than 5 business days before the scheduled date of the meeting or, if summoned in accordance with 4(2) above, not less than three business days before the date of the meeting.
- (2) Notice of each meeting shall be issued to each member of the FB and each other person invited to attend, stating the venue, time and date together with an agenda of items to be discussed.
- (3) Notice of a meeting of the FB may be issued by hand, surface mail or by electronic means.
- (4) Notice of a meeting shall be accompanied by reporting papers and such other supporting papers as are appropriate and necessary for the FB to conduct the business for which it has been convened.
- (5) The FB may consider papers issued later than as set out in (4) above or tabled at a meeting, if the Chairman gives consent.

## **6 Minutes of the Meeting**

- (1) The Clerk to the FB shall minute the proceedings, agreed actions and resolutions of all meetings of the FB, including recording the names of those in attendance.
- (2) Members of the FB shall declare the existence of any material conflicts of interest prior to discussions on the subject matter and the Clerk to the FB will record the conflict of interest in the minutes. If the conflict of interest is material, the FB member may be asked to leave the meeting for that particular subject matter. For any conflicts of interest other than material ones the FB member may remain in the meeting for that particular subject matter and take part in the discussions and decision.
- (3) The Minutes of each meeting of the FB shall be circulated promptly to all members of the FB. The Clerk to the FB will circulate the approved minutes to the members of the FB and Board.

## **7 Duties**

On behalf of the Board, the FB is responsible for the tactical application of strategy and implementation of policy with respect to the matters listed below:

- (1) Administration of goods;
- (2) Administration and supervision of Branches including:
  - Branch Financial Statements;
  - Branch Special Rules;
  - Branch internal audits (see 14);
  - Branch investments (see 15);
  - Oddfellows Halls (see 16);
  - Amalgamations of Branches and transfers of engagements;
  - Transfers of funds; and
  - Variations of Lodge Benefits (V5/VAR).

The FB acts as a control function with regard to the Society's registered Branches who are permitted, under the Rules to adopt a Scheme for the payment of discretionary benefits to their Members. Branches are permitted to use the interest from their Funds for this purpose. Such

Schemes must be approved in the first instance by the Branch Summoned Meeting. Subsequently, the FB adjudicates applications from Branches wishing to vary their Benefit Scheme (within specific guidelines) and to make transfers of funds to ensure there is sufficient income to pay the benefits.

(3) Benevolence

- Distress Grants – liaise with the Benevolence Committee to maintain the level of support awarded to Members in distress.
- Educational Awards/Apprenticeship Award – make an annual assessment of the applications received from Branches and award grants of £900 per annum for up to three Members for the duration of their first degree courses for Educational Awards and grants of £250 per annum for up to three Members undertaking an apprenticeship. In addition, the FB periodically review the terms and conditions of the Scheme and make recommendations to the Board as necessary.
- HA Andrews Memorial Fund – make recommendations to the Board and to the AMC, for medical research projects to receive support from the Fund. This Fund is supported entirely by donations from the membership and Branches.
- Legal Aid Scheme – receive biannual progress reports on the settlement of personal injury, medical negligence and industrial tribunal claims and monitor the performance of the Legal Aid Solicitors appointed by the Society.
- Convalescent Benefit – as and when required, review the terms and conditions of the Scheme.

(4) Recruitment and retention – receive regular balanced scorecard reports from the Branch Development Department on net recruitment figures, and the cost effectiveness of recruitment campaigns, and in addition approves copy for retention and recruitment literature.

(5) Branch delivery of social and care – receive regular balanced scorecard reports from the Branch Development Manager and Head of Care and Welfare on social and care accessibility and delivery at Branch level; problem-solves, agrees actions and reviews results.

(6) Branch training – oversee the subject matter and provision of lecturers for any seminars or training courses.

(7) Public Relations – receive regular balanced scorecard reports from the Branch Development Manager on activities and results for the Society's PR.

(8) Management of relationships with third parties – receive regular reports from the CEO and Branch Development Manager in respect of ongoing and potential new opportunities with third parties for services and products for Members.

(9) Group Conferences:

- approve the subject matter and funding of Group Conference seminars; and
- approve GC Bye-laws.

(10) Society's Publications – oversee all fraternal communications including centrally issued Society news for inclusion in Branch publications..

(11) Traditions of the Society – oversee the maintenance of the Society's ritual books and regalia items, and education regarding Ceremonial.

(12) Oddfellows Brass – receive six monthly reports so that progress can be monitored and determine levels of sponsorship.

(13) Risk Management – keep under review the effectiveness of the Society's internal controls and risk management systems in relation to the Society's Fraternal operations.

(14) Branch Internal Audit

- Monitoring and reviewing the effectiveness of the Society's Branch Internal Audit Function in the context of the Society's overall Risk Management System and Internal Audit Policy;

- Considering and approving the remit of the Branch Internal Audit function and validate the adequacy of its resources and have appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;
  - Ensuring that the Branch Internal Audit Function has adequate standing and is free from management or other restrictions;
  - Reviewing and assessing the Annual Branch Internal Audit plan to ensure it is risk based;
  - Reviewing promptly all reports on the Branches from the Internal Auditor; and
  - Reviewing and monitoring Branch Committee of Management’s responsiveness to the findings and recommendations of the Branch Internal Auditor.
- (15) Branch Investments –The FB works with the Finance and Property Departments in monitoring and advising on Branch investments (Funds and property).
- (16) Oddfellows Halls – Reviews matters arising in respect of Branches’ Oddfellows Halls (eg purchase further investment and disposal).
- (17) Rules and Procedures
- The FB is responsible for ensuring that the Society’s Rules and Procedures comply with the requirements of the Act on an ongoing basis;
  - Where necessary, it also deals with internal queries about, and requests for, changes to the Rules and Procedures. If there is a significant amount of information to be considered, the FB may appoint a working group to take over the task; and
  - In addition, the FB monitors updates to the Board high level procedures documented in the Board Handbook where relevant.
- (18) Appointment of Deputations – the FB is responsible for appointing FB deputations to Branches on whatever aspect is required.

## 8 Resolutions

The FB is also responsible for the passing of resolutions in furtherance of the aims and directives of the Society’s strategy and in accordance with the policy of the Board, which will receive and approve its minutes.

## 9 Reporting Responsibilities

- (1) The FB shall make whatever recommendations to the Board, and /or relevant Committee it deems appropriate on any area within its remit where action or improvement is needed;
- (2) The Compliance & Risk Officer shall make written or verbal reports to the FB on any material weakness or significant issues identified, insofar as they relate to an area under the remit of the FB.

## 10 Other Matters

The FB shall:

- (1) have access to sufficient resources in order to carry out its duties, including access to the Actuary, Auditors, Solicitors, Investment Managers and other advisors approved by the Board for assistance as required;
- (2) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (3) be provided with timely relevant information and reports as set out in these Terms of Reference;

- (4) give due consideration to laws, regulatory principles, rules and guidance of the PRA / FCA, and the provisions of the Association of Financial Mutuals (AFM) Annotated Corporate Governance Code (ACGC) as appropriate;
- (5) oversee any investigation of activities within these Terms of Reference and act, as a board of the last resort for decision, judgement, direction and control: and
- (6) at least once a year, review its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## 11 Authority

The FB is authorised:

- (1) to carry out its duties and investigate any matter within these Terms of Reference;
- (2) to seek any information it requires from any personnel of the Society in order to perform its duties;
- (3) to obtain, at the Society's expense' outside legal or other professional advice on any matter within its Terms of Reference and within the agreed budgetary control procedure;
- (4) to call any employee to be questioned at a meeting of the FB as and when required; and
- (5) to delegate decisions and authorities in the following areas to others as shown below:

Delegated To	Area of Responsibility
Secretary of the Order / CEO	Approval of Branch transfers of funds and variations to Schemes of Lodge Benefits (V5/VAR); reports to the FB by exception. Educational awards – shortlist of applicants for final adjudication by the FB. Branch training (weekend seminars) – operational issues. Approval of Branch special rules, Group Conference bye-laws; reports to FB by exception. Administration of applications to the FB for amalgamations and transfers of engagements. Administration of Orphan Gift Fund and reports to FB by exception.
Head of Care & Welfare	Legal Aid Scheme; Convalescence Benefit – oversight and operational issues; provision of reports to the FB as required.