

Knowledge Transfer Network Ltd Company Board Terms of Reference

Terms of Reference

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1. Purpose

- 1.1. The Board has the primary responsibility to oversee the conduct of the Company and to supervise management, which is responsible for the day-to-day activities. In performing its functions, the Board primarily considers the interests of the Company to which its fiduciary duty ultimately resides. It also considers the legitimate interests of other constituents such as employees, stakeholders and members.
- 1.2. The Board must ensure that it has all of the material information available, which it must consider in making a decision or approving management's decisions. Management must provide full (but concise), plain, true and timely information to the Board. The Board is reasonably entitled to seek outside advice, with or without management's approval, in the exercise of its fiduciary duties, and at the Company's expense.
- 1.3. In supervising the conduct of the Company, the Board, through the Chief Executive Officer ("CEO"), will set the standards of conduct for the Company.

2. Composition

- 2.1. The Board will be chaired by a Non-Executive Company Chairman. The Board will also consist of: the Company CEO, and a number of Non-Executive Directors.
- 2.2. Certain responsibilities of the Board may be delegated to the Board Sub-Committees (the Finance & Audit Committee & Remuneration Committee, or other such Sub-Committees or Advisory Groups as the Board may wish to establish). The responsibilities of these committees or advisory groups will be as set forth in their own Terms of Reference, as amended when necessary.

3. Meetings and Quorum

- 3.1. The Board should meet sufficiently regularly to discharge its duties effectively. The Board shall meet with such frequency and at such times as it may determine.
- 3.2. It is expected that the Board should ordinarily meet four times a year and at least three times a year.
- 3.3. When participating in Meetings of the Board, Non-Executive Directors are expected to discharge their responsibilities as Non-Executive Directors of The Company and not to act as representatives of industry sectors or communities.
- 3.4. The quorum for meetings of the Board is 50% of Directors (including the CEO and the Chairman unless conflicted)

4. Objectives

- 4.1. The role of the Board is to set the strategic aims and objectives of the Company and oversee the conduct of the Company within a framework of prudent and effective management controls that enable risks to be assessed and managed. The Board is collectively responsible for the long-term success of the Company and delivery of value to members and stakeholders, as well as ensuring alignment with sponsor priorities. It will review, approve, and amend as necessary, strategic, operating and financial plan presented

by management for the achievement of the strategic aims and objectives.

5. Powers of the Board

- 5.1. In meeting its purpose and objectives, the Board may exercise all the powers of the Company, subject to any relevant laws and regulations and to the Articles of Association
- 5.2. The Board operates by delegating to the CEO certain authorities, including spending authorisations, and by reserving certain powers to itself.
- 5.3. The Board is responsible for ensuring that management puts in place all the necessary financial and human resources for the Company to meet its objectives. It is responsible for the performance management of the CEO and, subject to any contractual terms, may suspend or terminate the contract of the CEO.

6. Matters Reserved by the Board

- 6.1. The Board delegates the management and day-to-day running of the Company to the CEO in accordance with such policies and directions as the Board may from time to time determine, with the exception of the following matters, which require the approval of the Board:
 - 6.1.1. Decisions regarding corporate governance and the setting of overall strategic direction.
 - 6.1.2. Appointment of the CEO and other Directors
 - 6.1.3. Annual plans, risk appetite and performance targets for the Company.
 - 6.1.4. The establishment of effective procedures for monitoring and control of operations including internal procedures for audit, risk and compliance.
 - 6.1.5. The appointment of auditors, and where appropriate, other financial advisers.
 - 6.1.6. The setting and review of delegated authorities.
 - 6.1.7. Approval of revenue or capital expenditure on single items exceeding £100,000.
 - 6.1.8. Remuneration of senior staff, approval of any inflation-related salary increments and the recruitment or promotion of staff with salaries greater than £100,000.
 - 6.1.9. The establishment of any subsidiary companies.
 - 6.1.10. Disposal of any Company financial reserves in accordance with the objects of the Company.

7. Responsibilities of the Board

- 7.1. The Board's responsibilities include, but are not limited to:
 - 7.1.1. The setting of the company's strategic aims and objectives, ensuring that management put in place the necessary financial and human resources for the company to meet its objectives.
 - 7.1.2. The oversight of corporate governance and creating the right framework for helping Directors meet their statutory duties and evaluate their effectiveness.

- 7.1.3. Review of management performance.
- 7.1.4. Ensuring that Directors and management demonstrate ethical leadership, displaying – and promoting throughout the company – behaviours consistent with the culture and values defined for the organisation.
- 7.1.5. Overseeing or delegating responsibility for the oversight of the operation of the Knowledge Transfer Network and its wider engagement with the innovation landscape for:
 - 7.1.5.1. A broad understanding of the innovation landscape.
 - 7.1.5.2. The integration of KTN activity across sectors and technologies.
 - 7.1.5.3. Planning of activity, including the definition of domain priorities, in and across sectors.
 - 7.1.5.4. High level input into Government consultations or other objective representation of innovation needs and priorities for the members of the KTN.
 - 7.1.5.5. Methods of engagement with the Company customers, clients and other stakeholders.
 - 7.1.5.6. Communication methods.
 - 7.1.5.7. The creation, running and closure of cross-cutting Group activities.
 - 7.1.5.8. Overseeing procedures for the allocation of dedicated or hypothecated resources.

8. Independent Advice

- 8.1. Directors may appoint, employ or retain such professional advisors as they may consider appropriate. Any such appointment shall be made through the Company Secretary, who shall be responsible for the contractual arrangements and payment of fees by the Company on behalf of the Board.

9. Review of Terms of Reference

- 9.1. The Board shall review annually the Board's terms of reference and its own effectiveness.

10. Inconsistency with Articles of Association

- 10.1. To the extent that there is any inconsistency between these terms of reference and Articles, the Articles shall prevail.