



BRITISH WOOL MARKETING BOARD

Board Member Manual

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1 Introduction

The British Wool Marketing Board (“British Wool”) was established in 1950 and is the last remaining marketing body covered by the Agricultural Marketing Act 1958 (the “Act”). Its powers are laid down under the British Wool Marketing Scheme (Approval) Order 1950 (the “Order”) which effectively forms its governing document, a copy of which is set out in Appendix 1.

British Wool is a farmers’ organisation with cooperative principles, working on behalf of around 35,000 registered wool members in the UK to collect, grade, promote, and sell members’ fleece wool. The latest audited annual financial accounts for the business are set out in the separate Reports & Accounts booklet and Appendix 2 together with a 2022 Budget Document in Appendix 3.

British Wool is designated by the Office for National Statistics as a “Public Non-Financial Corporation” however British Wool receives no public funding and operates largely independent of Government in a commercial and competitive environment.



2 Purpose, Principles, Values

Purpose

Our purpose is to drive sustainable demand for British wool in order to maximise returns for our members.

To achieve this, the Board has developed three strategic objectives:

- To maintain member base and scale
- To maximise price
- Have an effective and efficient organisation

These strategic objectives, together with the current plans to achieve these objectives, are explained further in the annual British Wool Strategic Plan in Appendix 4.

Principles

The Board has stated the key principles that define what British Wool stands for:

- British Wool is a member led organisation.
- British Wool works on behalf of its members under cooperative principles.
- British Wool accept wool from all members regardless of type, location and quantity.
- British Wool markets the wool collectively to maximise the value received by all wool members in the UK.

Values

British Wool has a shared set of values that guide the actions, decisions and behaviours of the Board, officers, executives and employees to enable us to be the people and organisation we want to be and achieve our purpose.

- Responsibility – we instinctively take ownership of the work we produce with a “can do” attitude and are proud of our achievements
- Togetherness – we are positive and passionate. We want everyone we work with to feel that we genuinely have their interests at heart and that they are consistently valued and supported by us.
- Resilience – we are tenacious and inventive. We challenge ourselves and each other to do things better, whilst humbly appreciating that ours is a continuous journey with no finish line.
- Respect – we are driven by mutual respect, teamwork and effective partnerships. We ask questions, we listen, we understand and we act.
- Quality – we are authoritative. Our knowledge and expertise are deep. We aim to be the best; to deliver to the highest standards and to continuously improve, every single day.



3 Organisation Structure

Entities in the Group

British Wool Marketing Board (“British Wool”) is the top entity in the group. British Wool is also the main trading entity, containing the depot, grading, auction sales, marketing and promotion, and general administration operations.

British Wool also has the following active subsidiaries:

Wool Testing Authority (Europe) Limited – a 100% owned company based in Caernarfon acting as an independent testing authority for British Wool (c. 50% of the trade) and other wool merchants and agents across Europe.

Wool Growers (Great Britain) Limited – a 100% owned company based at Wool House Bradford which primarily acquires wool from British Wool in the auctions and sells it to Harris Tweed and to customers overseas either as commodity sales or as blends with marketing support packages.

Ulster Wool Group Limited – 50% owned joint venture with Ulster Wool Growers Limited which contains the depot operations of the Ulster Wool depot in Muckamore Northern Ireland.

Board Structure

The Board consists of nine non-executive regionally elected members (elected on a rotational basis for an initial three year term with a maximum tenure of four terms) and two non-executive independent members. The independent members are publicly appointed with input from British Wool to bring relevant business skills and experience to the business. A Chair and Vice-Chair are elected annually by the Board from its own number. The Chief Executive and the Chief Financial Officer are not Board members however are invited to attend board meetings.

See Appendix 5 for details of Board members and Appendix 6 for contact details.

The appointment letter templates for Regional Board Members and for Independent Board Members are set out in Appendix 10 and 11 respectfully.

Head Office and Depot Structure

British Wool operates through a series of grading depots and associated collection sites around the UK. Details of this depot network are set out in Appendix 7.

To support the depot network and the business to achieve its purpose, the business operate various functions within its overall Head Office function. These functions include finance, IT, human resources, marketing, member services, wool sales, and operations. The heads of these functions form an Executive Committee who, working closely with the board, are responsible for developing strategy, driving key commercial initiatives and managing the day to day operations of the business. The Executive Committee comprises the CEO, CFO, Director of Marketing, IT Manager, and the Head of Operations.

Details of the Head Office functions, key personnel and contact details are set out in Appendix 8



4 Governance and Board

4.1 Role of the Board

The Board as a whole is collectively responsible for the success of British Wool. The Board's role is to:

- ensure that British Wool adheres to its governing document and principles;
- provide entrepreneurial leadership of British Wool within a framework of prudent and effective controls which enable risk to be assessed and managed;
- set British Wool's strategic aims, ensure that the necessary financial and human resources are in place for it to meet its objectives, and review management performance; and
- set British Wool's values and standards and ensure that its obligations to its stakeholders and others are understood and met.

Board members are required to:

- constructively challenge and help develop proposals on strategy;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- determine appropriate levels of remuneration of executive officers and have a prime role in appointing and, where necessary, removing executive officers, and in succession planning;
- devote time to developing and refreshing your knowledge and skills;
- uphold high standards of integrity and probity and support the other directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
- insist on receiving high-quality information sufficiently in advance of board meetings; and
- take into account the views of members and other stakeholders where appropriate.

Further guidance for Regional Board Members is provided on page 17.



4.2 Duties of Board Members

Whilst company law does not apply to British Wool, the general duties of company directors as set out in the Companies Act 2006 are considered to apply to Board members. These are:

- **Duty to act within powers**

A Board member must always act in accordance with the powers granted to Board members in the Board's governing documents (the British Wool Marketing Scheme (Approval) Order 1950, as amended).

- **Duty to promote the success of the Board**

A Board member must act in the way he/she considers, in good faith, would be most likely to promote the success of the Board for the benefit of its members, specifically having regard to the:

- Consequences of any long-term decisions,
- Interests of the Board's employees,
- Need to maintain the reputation of the Board and foster business relationships,
- Impact of the Board's operations on the community and the environment.
- Desirability of the Board maintaining a reputation for high standards of business conduct
- Need to act fairly as between the members and members.

- **Duty to exercise independent judgement**

A Board member must exercise independent judgment. This duty requires a Board member to act in what s/he considers to be in the interests of the Board and not someone else.

- **Duty to exercise reasonable care, skill and diligence**

A Board member must exercise reasonable care, skill and diligence. An assessment as to whether a Board member has carried out this duty adequately will consider the knowledge, skill and experience the member has and measure this against the standards expected of another person carrying out similar duties to the Board member in question.

- **Duty to avoid conflicts of interest**

A Board member must avoid a situation in which s/he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Board. This applies in particular to the exploitation of any property, information or opportunity.

- **Duty not to accept benefits from third parties**

A Board member must not accept any benefit from a third party if this benefit is connected with his/her carrying out, or not carrying out, the duties associated with him/her being a Board member.

- **Duty to declare interest in proposed transactions or arrangements with the company**

If a Board member has directly or indirectly an interest in a proposed transaction or arrangement with British Wool he must, before the company enters into the transaction or arrangement, declare the nature and extent of that interest to the Board.



Additional Duties of Regional Members

Regional members have the additional duty under the Order (para 35) to be members of their Regional Committee. The duty of the regional committee is to report to the Board from time to time on the operation of the Scheme in that region, and when consulted by the Board with respect to any proposal of the Board, to advise them as to the desirability of the proposal, in so far as it concerns members in that region. Further details are contained in the Standing Orders of Regional Committees.

Additional Duties of Appointed Members

Publicly appointed Members have additional duties under their terms and conditions including the duty to report to Defra if they believe they are being required to act in a way which is illegal, improper, or unethical; is in breach of constitutional convention or a professional code; may involve possible maladministration; or is otherwise inconsistent with the Seven Principles of Public Life.



4.3 Role of the Chair

The Chair ("Chair") is responsible for the leadership of the board and should ensure that the board is in effective control of British Wool's affairs and alert to its obligations to its members.

Supporting principles

- The Chair should ensure that at all times the strategy of British Wool is consistent with its purpose and objectives and in line with its values and principles.
- Care should be taken to ensure the integrity and independence of the relationship between the chief executive and Chair. The Chair should be confident of his or her ability to challenge the chief executive where necessary.
- The Chair should act as the primary link between the board and the chief executive and secretary. He or she should promote and maintain effective working relationships amongst the Chair, the secretary and the chief executive in managing and administering board processes, and with Board members, and should encourage the active engagement and participation of all the members of the board.

Provisions

- The board should appoint, from its own number, a Chair. Individuals should be selected on the basis of their Chairing skills, leadership capacity, interpersonal skills, ability to challenge the management and knowledge of the business.
- Term of office of the Chair is for one year
- The Chair should have regular contact with the Board members, chief executive and secretary outside of the board cycle.
- The Chair should establish effective links with regional committees and any other groups designed to facilitate consultation with Members.

Board Effectiveness

The Chair is pivotal in creating the conditions for overall board and individual Board member effectiveness, setting clear expectations concerning the style and tone of board discussions, ensuring the board has effective decision-making processes and applies sufficient challenge to major proposals.

It is up to the Chair to make certain that all Board members are aware of their responsibilities and to hold meetings with the non-executive Board members without the executives present in order to facilitate a full and frank airing of views.



The Chair's Role

The Chair's role includes:

- setting a board agenda primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, and ensuring that issues relevant to these areas are reserved for board decision;
- shaping the culture in the boardroom;
- encouraging all board members to engage in board and committee meetings by drawing on their skills, experience and knowledge;
- fostering relationships based on trust, mutual respect and open communication – both in and outside the boardroom – between non-executive Board members and the executive team;
- developing a productive working relationship with the chief executive, providing support and advice, while respecting executive responsibility;
- providing guidance and mentoring to new Board members as appropriate;
- leading the annual board evaluation, with support from the senior independent Board member as appropriate, and acting on the results;
- considering having regular externally facilitated board evaluations.

The Chair should ensure that:

- adequate time is available for discussion of all agenda items, in particular strategic issues, and that debate is not truncated;
- there is a timely flow of accurate, high-quality and clear information;
- the board determines the nature, and extent, of the significant risks the company is willing to embrace in the implementation of its strategy;
- all Board members are aware of and able to discharge their statutory duties;
- the board listens to the views of shareholders, the workforce, customers and other key stakeholders;
- all Board members receive a full, formal and tailored induction on joining the board;
- all Board members continually update their skills, knowledge and familiarity with the company to fulfil their role both on the board and committees.



Role of the Vice Chair (“Vice Chair”)

The board should appoint, from its own number, a Vice Chair.

Individuals should be selected on the basis of their chairing skills, leadership capacity, interpersonal skills, ability to challenge the management and knowledge of the business.

Term of office of the Vice Chair is for one year.

The vice Chair shall:

- Assist and support the Chair in providing leadership of British Wool, through the governance arrangements, and also act as a ‘sounding board’ and confidante to the Chair in the execution of his/her role.
- In the Chair’s absence, to Chair meetings of the Board and to deputise for the Chair in any other ways as appropriate.
- To Chair Remuneration Committee.
- To assist and support the Chair in ensuring all Members of the Board, when taking up office, are fully briefed on the terms of their appointment and their duties and responsibilities.
- To be available to other Board members for advice and support in any instances where they would prefer not to consult with the Chair directly.
- To support and encourage the Board and Chief Executive in carrying out the vision, mission, values and aims and ambitions of British Wool.
- To support and deputise for the Chair in managing and communicating with stakeholders.



4.4 Role of the Chief Executive Officer and Delegated Authority

The Chief Executive Officer (“CEO”) is the senior executive of the organisation, appointed by the Board, and is accountable to the Board through the Chair. The CEO is accountable for the performance of British Wool’s paid staff and is ultimately responsible to the Board for the day-to-day leadership, operation and administration of all aspects of British Wool’s organisation.

The appointment, dismissal, and remuneration of the CEO are matters requiring Board approval. The Board has delegated to the Chair, acting as the CEO’s direct line manager, and the Remuneration Committee, the functional responsibility for the CEO’s recruitment process, supervision, and appraisal.

For the efficient and effective management and proper operation of the business, the CEO delegates at their discretion a number of their responsibilities to the Executive team and other employees. This further delegation of responsibilities does not release the Chief Executive from overall responsibility to the Board.

Within the overall strategic and financial framework it sets, the Board has delegated day-to-day responsibility for operation and administration of British Wool to the CEO to manage its activities for optimal performance; including the proper day-to-day use of the operational, budgetary, property, staffing and other resources.

A number of matters, principally major decisions relating to the variation of key objectives, strategy and leadership of British Wool, or decisions on matters which lie outside the agreed Strategic Plan or Budget are reserved for the approval of the Board and are set out in the Matters Reserved for the Board on page 12.



4.5 Matters Reserved to the Board

The Board has agreed that the following matters will be reserved for the Board:

1. Strategy and Budget
 - 1.1. Approval of business strategy
 - 1.2. Approval of annual operating budget (including pay award assumptions)
 - 1.3. Approval of capital projects
 - 1.4. Approval of major corporate actions (e.g. acquisitions-(including formations & new subsidiaries), disposals, commencing or terminating of business activities)
2. Operation of the Marketing Scheme and Financial Arrangement
 - 2.1. Approval of the value to be paid to members.
 - 2.2. Utilisation of, or additions to, the Reserve Fund (subject to the Financial Arrangement)
3. Expenditure, Contracts, and other financial matters
 - 3.1. Approval of capital or other expenditure items or contracts above £250,000.
 - 3.2. Approval of capital expenditure in excess of the approved budget
 - 3.2.1. Any project > £50,000 above budget or cumulative > £150,000 above budget
 - 3.3. Approval of freehold land and buildings sales with a net book value, market value, or sales proceeds over £50,000
 - 3.4. Approval of material contracts not in the ordinary course of business
 - 3.5. Leases and/or licenses for property executed as a deed where required by the 1950's act.
 - 3.6. Approval of all political donations and charitable above prevailing limit (£1000)
 - 3.7. Approval of treasury policy, group borrowing, and any foreign exchange exposures and the opening and closing of bank accounts.
 - 3.8. Approval of creditor guarantees.
4. Appointment of Executives and Officers
 - 4.1. Appointment and removal of Executives or Officers including to the boards of subsidiaries.
 - 4.2. Remuneration and terms and conditions of bonus payments to the CEO
 - 4.3. Review the performance of the Chief Executive Officer
 - 4.4. Appointment and removal of secretary
5. Board and Governance
 - 5.1. Board appointments and - succession planning
 - 5.2. Terms of reference of the Chair and other directors
 - 5.3. Terms of reference and membership of board committees
 - 5.4. Approval of changes to the statutory instrument, legal status and/or changes to capital structure
 - 5.5. Approval of all circulars/prospectuses in relation to winding up the scheme.



6. Audit and Accounts

- 6.1. Remuneration of auditors
- 6.2. Appointment or change of auditors.
- 6.3. Approval of auditors' engagement letter and audit scope memorandum (is this delegated to the Audit committee?)
- 6.4. Review of auditors' summary letter of recommendations
- 6.5. Approval of significant changes in accounting policies and practices
- 6.6. Approval of annual report and accounts

7. Risk and Control

- 7.1. Approval of the company risk management policy
- 7.2. Approval of the internal control framework
- 7.3. Approval of health and safety policy and communications frameworks
- 7.4. Notification and approval of all major litigations, prosecutions

8. Pensions

- 8.1. Major changes in pension scheme rules, investment strategy or liability management (including recovery plan as appropriate) of the pension scheme.

Matters requiring approval of the General Meeting of Members

The following matters are reserved for approval at the annual general meeting of registered members:

- 1. Remuneration of the Board members
- 2. Annual Report and Accounts
- 3. Appointment or reappointment of auditors



4.6 Role of Independent Board Members

The Board is made up of nine regional members, elected by members and at least two independent members, who are publicly appointed by the Ministers. The aim is to provide British Wool with access to independent Board members who can bring a different range of skills and experience. The composition of the Board is in line with good corporate governance practice; The Agricultural Cooperatives Corporate Governance Code recommends appointing external members to bring 'appropriate expertise and balance to the board' and the UK Corporate Governance Code recommends that smaller companies should have at least two independent board members.

Independent members are appointed through an open and transparent public appointment process. Specific skill requirements are agreed between British Wool and Defra and the Chair is a member of the interview panel. Details of the public appointment process are available on https://publicappointments.cabinetoffice.gov.uk/wp-content/uploads/2019/06/2_Candidate-Pack.pdf

In line with the requirements of the UK Corporate Governance Code, British Wool identifies, in the annual report, the board members it considers to be independent. Only the publicly appointed board members are identified as such. Regional members are not deemed to be independent because they are elected by members (and are usually members themselves).

The UK Corporate Governance Code recommends that companies identify one of their independent directors as the Senior Independent who may:

- Act as a sounding board for the Chair, providing them with support in the delivery of their objectives.
- Lead the evaluation of the Chair on behalf of the other Board members.
- Act as a focal point where Board members (or other important stakeholders) have expressed concerns that are not being addressed by the Chair or chief executive.

Defra does not appoint a Senior Independent but Board members should be aware that the Independent Board members can perform these roles if requested.



4.7 Role of the Secretary

The board of British Wool Marketing Board ("British Wool") may appoint a Secretary as they see fit.

The role of the secretary is to provide a corporate secretary service to the British Wool Marketing Board ("British Wool") and its subsidiaries:

- Ensuring that the Board members receive support and advice necessary for them to discharge their duties in the interests of British Wool and its members;
- To support the Chair and help the Board Members and committees to function efficiently; and
- To assist the Chair in establishing the policies and procedures to allow the Board to function properly.

The Secretary should have the requisite knowledge and experience to discharge the functions of secretary of British Wool. This may be through holding appropriate qualifications or by virtue of holding the position in a similar organization and therefore appears capable to the board of discharging the functions of British Wool secretary.

Compliance

- To be familiar with the governing document of British Wool and be able to advise the Board on its content and compliance with it.
- To monitor and review all legislative, regulatory and corporate governance developments including any applicable corporate governance code and performance indicators that may affect British Wool and to be ready to relay this to the Board as and when required.
- To understand British Wool's values and principles and how they are and can be integrated into the governance of the organisation.
- To ensure that a Schedule of Matters reserved for the Board is created.
- Oversee the creation of an audit committee and any other sub-committees of the Board as and when required by British Wool or the Board.
- To maintain the corporate registers of British Wool and controlling the access to such registers.
- Coordinating the production and distribution of British Wool's annual report and accounts and arranging the appropriate audit of such accounts.
- To report to and provide information to the relevant Government department as required by the Act under which British Wool is established.
- To organise appropriate indemnity insurance for the Board.
- To ensure Board members have access to independent professional advice where they judge it necessary to discharge their responsibilities



Member Services

- To act as returning officer for Board and Committee elections by being responsible for agreeing the form of notices, resolutions, proposals, voting cards and voting papers and circulating clear and conclusive results of decisions reached.
- To act as first point of contact for British Wool's member queries in relation to the governance of the organisation.
- To act as a "stakeholder voice" by ensuring that the interests of members, employees and other stakeholders are considered in Board decisions.

Board and Committee Services

To ensure the effective servicing of the Board and Committees and general meetings to include scheduling and ensuring the smooth running of such meetings by:

- Assisting the Chair to set agendas.
- Providing guidance on the content of meeting paper.
- Ensuring good and timely information flows within the Board and Committees and the Executive team.
- Preparing and circulating notices and associated meeting papers.
- Accurately recording Board decisions and the results of meeting resolutions.
- Preparing and circulating minutes of Board and general meetings.
- Pursuing follow-up action and reporting on matters arising.
- Advising on Board procedures and enabling and ensuring that the Board follow them.

Board and Committee Development

Under the direction of the Chair:

- To plan and organise the cooperative's induction process for newly elected Board members.
- To plan, organise and source appropriate Officers and Executive team professional development programs.
- To facilitate the Board's and Committees' annual performance review.
- Arranging for Board members to develop and update their knowledge and capabilities



4.8 Further Guidance for Regional Board Members

Representing the interests of all Members

Regional Board Members of the British Wool Marketing Board ('British Wool' or 'the Board') are elected by the registered members in their region but, once elected, are required to act in the interests of British Wool and its member base as a whole. The "Code of Conduct" document provides guidance to Board members on how to proceed if they feel there is a conflict of interests between the members in their region and British Wool as a whole.

Relationship with Regional Committee

Regional Board Members are required under the governing documents of British Wool (1950 Order para 35) to be members of their Regional Committee. The duties of the Regional Committees, as set out in the governing documents, are to report to the Board from time to time on the operation of the British Wool Marketing Board ('the Scheme') in that region, and when consulted by the Board with respect to any proposal of the Board, to advise them as to the desirability of the proposal, in so far as it concerns members in that region.

Reporting to the Board

Regional Board Members are required to report to the Board at its meetings on the operation of the British Wool Marketing Board in their region. This report should include member perception on how effectively and efficiently British Wool is operating in their region, competitive activity and any other matters relevant to the Board.

The report to the Board should be based on direct feedback from the elected county representatives, from regional committee meetings, the regional committee Chair, and from informal engagement with members and other stakeholders in the region. The Regional Board Member is also required to provide the Chair of the Board with verbal or email updates between Board meetings.

To do this, Regional Board Members are expected to be active within their regions, by engaging and communicating with members, including:

- Attend relevant farmer unions and organisations' (such as NSA, NFU, Young Farmers, etc.), meetings and events within their region. Attending auction marts to engage with members.
- Attend the county agricultural shows within their region.
- Attend regional committee meetings (Further details are contained in the Standing Orders of Regional Committees).

Regional members should keep a record of their activities.



Engagement with the Member Marketing Team

Regional Board Members are expected to support the Member Marketing team by providing feedback on our service delivery and competitor activity. Regional members are also expected to support specific initiatives. Examples of this could include;

- Helping identify members who are not using British Wool in order to target wool and thereby increase British Wool's market share within their region.
- Having a set list of members to contact ahead of the shearing season.
- Liaising with county representatives and regional committees regarding member marketing initiatives.
- Where appropriate, under guidance from the Member Marketing team in head office, Regional Board Members may be asked to represent British Wool with the local media.

Depot Visits

Regional Board Members are encouraged to visit British Wool's depots in their region but, if they do so, they must remember that their role is non-executive.

All Board members who wish to visit a depot to view an activity in their official capacity must coordinate their visit with the Head of Operations / Depot Manager and follow the standards of behaviour set out in the Code of Conduct. In particular they should be careful not to give instructions, or give the impression of giving instructions, to staff. They should be aware that visiting a depot can risk confusing staff or disrupting depot activities if not conducted properly.

Regional Board Members who wish to visit a depot in any other capacity including in their private capacity as a member, shall pay particular regard to the Code of Conduct's guidance on conflicts of interest.

Member Complaints Procedure

British Wool has a complaints procedure whereby members can raise complaints and concerns with their local depot manager or the Member Services team within head office. If required complaints would then be escalated to the Head of Operations or the appropriate manager within Head Office to be resolved.

If a complaint is raised directly with a Board member this should be passed to the relevant Depot Manager or the Member Services team to be resolved. In the event that the complaint is about a specific depot manager the complaint should be passed to the Head of Operations.

Management should keep the Regional Board Member informed of the level of complaints in their region and, where appropriate, on progress in resolving individual cases.

Regional Board Members (and county representatives/ regional committee Chairs) may on occasion be asked by management to assist with resolving a complaint. Regional Board members are expected to make themselves available to assist in this eventuality.



5 Committees

British Wool operates two types of committee: Regional Committees and Board Committees.

Regional Committees

The 1950 Order requires the establishment of Regional Committees whose duties are to report to the Board on the operation of the British Wool scheme in that region and when consulted by the Board, with respect to any proposal, advise the Board on the desirability of the proposal in so far as it concerns members in that region.

The 1950 Order states that Regional Committees should comprise the Board member for that region and County Representatives for each county within that region. County Representatives should be a registered member in that area and are elected by the registered members in that area, or co-opted to fill a vacancy, for a three year period.

Further guidance on Regional Committees is set out in Appendix 12.

Board Committees

The Board delegates day-to-day management responsibility to the executive management and certain matters to a number of Board committees.

- **Audit & Risk Committee**

The Audit & Risk Committee is responsible for financial and narrative reporting, internal controls and risk management including core compliance programmes and non-financial assurance, internal audit and external audit.

- **Remuneration Committee**

The Remuneration Committee agrees the framework for the remuneration of the Chair, board members and executive officers.

- **Member Marketing and Shearing Committee**

The Member Marketing & Shearing Committee has absorbed the Field Services Committee and now includes representatives from the member marketing team and provides oversight of British Wool's member facing activity which includes marketing, communications, shearing training and field services.

- **Pensions Committee**

The board identified the defined benefit pension scheme deficit as a principle risk and from May 2017 established the Pensions Committee to provide oversight of the scheme.

- **Legal Structure and Board Effectiveness Committee / Governance Working Group ("GWG")**

This Committee was established in January 2020 to consider the optimal legal status and structure of the business going forward and to review the effectiveness of the board. In January 2021, this committee was changed to become the Governance Working Group in which the legal structure and board effectiveness are being considered and reviewed. The GWG has also undertaken a periodic review of all governance documentation and updated them where necessary using relevant up to date industry standards.

Terms of Reference for each committee are set out in Appendix 13.



5.1 Role of the Committee Chair

The Committee Chair should

- Ensure that the Committee has up to date terms of reference and that these are adequately covered in the agenda
- Ensure all committee members are aware of and able to discharge their duties
- Ensure there is a timely flow of accurate, high-quality and clear information to support the agenda
- Should start the meeting on time and keep to time limits, nevertheless allowing reasonable time for discussion of all agenda items and that debate is not truncated;
- Facilitate discussion during the meeting, encouraging all members to participate in the decision-making process by drawing on their skills, experience and knowledge;
- Bring items on the agenda to a conclusion by a brief review of points (this may involve inviting specific proposals or decisions from the committee).
- If a vote has to be taken, clarify the voting procedure and enact this procedure.
- At the close of the meeting confirm the arrangements for the next meeting.
- Ensure that the minutes are circulated and make a verbal report to Board meetings on matters discussed at the committee.

The Role of Committee Chair should be a board member selected by the BW Chair with support of the committee members and they should have the requisite skills and experience and appear capable to the Board and the committee of discharging the role of Committee Chair.



6 Code of Conduct

Status of this Code of Conduct

This Code of Conduct (the “Code”) sets out the standards of personal behaviour and conduct required of members of the British Wool Marketing Board (‘British Wool’ or ‘the Board’). All Board members must sign an acknowledgement accepting their obligation to comply with this Code in its entirety. Candidates seeking election as a Regional member will be asked to confirm that they have read and understood it, and, if elected, must sign a similar acknowledgement confirming their obligation to comply with it.

Qualification for Office

British Wool’s governing documents, the British Wool Marketing Scheme (Approval) Order 1950 as amended (‘the Order’), set out the criteria under which an individual is eligible to be a Board member. A Board member shall notify the secretary immediately on becoming aware that he or she is not, or may no longer be, eligible to be a member of the Board.

Carrying out the Board Members’ Responsibilities

Being a Board member brings with it a commitment to carry out all necessary duties and responsibilities which must be performed by the Board. *[See Role and Duties of Board members]*

A Board member should endeavour to ensure that the Board is:

- properly constituted and managed, addresses its key tasks and devotes sufficient time to address each of them properly,
- adheres to its governing documents and principles,
- establishes vision, mission and values for British Wool, sets strategy, delegates appropriately to management,
- is accountable to members and holds itself responsible to relevant stakeholders.

A Board member should insist that the Board is provided with sufficient regular and timely information to enable the Board members to discharge their duties of care and diligence. If adequate or timely information is not provided, the Board member should make an appropriate objection. Any objection, and the reasons for it, should be included in Board minutes. An internal audit of systems supporting the Board should be conducted regularly.

Board members will:

- Understand and abide by their legal duties and responsibilities.
- Act in accordance with the governing documents of British Wool.
- Play a full and active role in the work of the body.
- Fulfil their duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of British Wool.



- Attend every meeting of the Board and of any committee or sub-committees of the Board to which they are appointed, unless there is an unavoidable reason for non-attendance, in which case the Board member shall notify the secretary of this.
- Prepare properly for every meeting by reading in advance any documents sent out for the purpose of the meeting.
- Arrive on time for every meeting fully prepared and able to take an active role in discussions and decision making.
- Ensure that they do not attend any meetings under the influence of alcohol, or illegal or recreational drugs.

Standards of Behaviours

In addition to fulfilling their legal duties, Board member are expected to show high standards of behaviour in carrying out their responsibilities. This is necessary in order that the Board can function properly as a Board that it can play its part appropriately in British Wool's overall governance, and that British Wool's good name and reputation is maintained. Board members will observe the following general standards:

- In their dealings with each other, with British Wool's officers, executives, employees and members, Board members must treat people politely, fairly, and with dignity and respect.
- On public occasions and on all British Wool business, Board members must behave with integrity and in a way which is appropriate. The Board member must not bring British Wool into disrepute or prejudice its general good standing in any way.
- Board members should behave in a way that demonstrates their belief in the values and principles and ethical stance of British Wool and shall conduct themselves in a way that does not call these beliefs into question or prejudice the general good standing of British Wool in any way.

Board members will treat meetings of the board or of any committee or sub-committee of the Board to which they are appointed, as formal occasions, and will:

- Accept the authority of the Chair of any meeting, expressing all questions and points of view through the Chair.
- Listen to the views of Board members with an open mind, seek advice or clarification where needed, express their own views, and come to their own decisions on individual matters in good faith in what they believe to be in the best interests of British Wool, taking into account relevant factors and ignoring irrelevant factors.
- Not resort to behaviour that could be considered aggressive or intimidating.
- Keep to the agenda, raise other issues under "any other business" according to agreed procedures, and not engage in discussions during the meeting which are not relevant to the issues of the meeting.
- Not present misleading information or behave in a way designed to mislead the board.



Collective Responsibility and Dissent

A Board member must be prepared, if necessary, to express disagreement with colleagues, including the Chair or chief executive. However, if there is no need to express disagreement, a Board member should be prepared to accept collective responsibility for decisions made by the Board in accordance with the law and British Wool's governing documents and implement the decisions of the Board as a loyal member of the Board. This includes a commitment to support any decision of the board outside of board meetings.

If a Board member is in doubt whether a proposed course of action is consistent with their duties, then they should not support the course of action. Independent advice should be sought as soon as possible to clarify the issue.

When a Board member concludes that they are unable to acquiesce in a decision of the board, some or all of the following steps should be considered:

- making their dissent and its possible consequences clear to the board as a means of seeking to influence the decision;
- asking for additional legal, accounting or other professional advice;
- asking that the decision be postponed to the next meeting to allow time for further consideration and informal discussion;
- tabling a statement of dissent or writing to the Chair and asking that the statement or letter be minuted;
- calling a special board meeting to consider the matter;

A Board member should accept that resignation or dismissal may sometimes be the ultimate consequence of sustained protest on a matter of conscience or judgement.

Confidentiality

Board members will treat all information which they receive in their capacity as Board members, and all discussions at Board meetings or within committees or subcommittees of the Board, as confidential.

Board members, who are employees of the British Wool will take particular care not to disclose to their colleagues any confidential information which comes to them in their capacity as a Board member.

Board members will observe the following obligations of confidentiality:

- They will not disclose any information outside board meetings unless it is already in the public domain, or they are specifically authorised by the Board to do so. This includes information about the business, the deliberations of the board in reaching decisions, and the way individual Board members voted on issues.
- They will not use any information for personal advantage.
- They will not pass information to any representative of the press or media and will refer any press or media enquiries to British Wool's management executive.
- They will not make unauthorised photocopies of any documents.
- They will take proper care of any documents they receive as Board members, and store and dispose of them securely.

These obligations continue to apply after they have left the Board.



Social Media

Social media is a public forum and the same considerations, including the provisions of this Code, apply as would to speaking in public or writing something for publication, either officially or in a personal capacity. When engaging with social media Board members should at all times respect confidentiality, financial, legal and personal information.

Where any personal social media accounts used by Board members make reference or link to their role at British Wool, they should take care to ensure that it is clear in what capacity they are acting.

Conflicts of interest

Board members must avoid any situation which may lead to a potential conflict of interest. Board members must disclose to the Board, through the secretary, any situation which they believe may potentially give rise to a conflict of interest.

Where such a potential conflict is notified, the Board shall decide whether the Board member may proceed with the situation giving rise to the conflict (for example, taking up a non-executive appointment in another organisation) or whether he or she must avoid it.

Board members must disclose to the Board, through the secretary, any material interest¹ which they or their spouse or partner holds in:

- Any business which competes with or carries on the same trade as the British Wool.
- Any business which is providing goods or services to British Wool, or is being considered as a potential supplier of goods and services.
- Any public body, voluntary organisation or charity with which British Wool has or is likely to have dealings.

Where such an interest is notified, the Board shall decide whether the Board member needs to take any action to manage this and, if so, what this must be. Examples of such action include not receiving papers on an issue related to the conflict, not attending Board meetings where an issue relating to the conflict is being discussed or not voting on such issue. The Board may determine any other action it believes is necessary to manage the conflict.

Subject to British Wool's governing documents, no Board member may take part in any discussion on a matter in which they have a material interest, or take part in any decision, or vote on any resolution. This applies to meetings of the Board and of any committee or sub-committee of the Board.

The secretary must keep a register of Board members' interests which is open to inspection by members.

¹ For the purposes of the Code "Material interest" includes being an employee, holding any position of authority or responsibility, or owning any financial interest. It does not include the holding of shares which amount to less than 2% of the entire issued share capital of any company whose shares are listed on a stock exchange.



Taking independent advice

Board members are non-executive. British Wool's management executive is responsible for running its day-to-day business. If one or more Board members have any questions about any aspect of British Wool's affairs, they should be raised in the first instance through the secretary or with the Chair of the Board.

If any Board member, or any committee or sub-committee of the Board, believes that it is essential for independent advice to be sought on any matter to enable them to properly perform their duties then this should be done through the secretary. If the matter on which the advice is sought directly concerns the secretary, the advice shall be sought through the Chair of the Board.

If one or more Board members are dissatisfied with advice given, or the Board fails to obtain their requested advice, they should raise the matter with the secretary. The secretary may take further independent advice if he or she considers it to be in the best interests of British Wool to do so.

If the secretary is involved in the matter in question and cannot be regarded as independent for the purposes of taking further advice, a member of the management executive/relevant employee shall act in place of the secretary. If neither the secretary nor any member of the management executive can be regarded as independent for the purposes of the matter, it shall be referred to the Board.

Induction and Ongoing Professional Development

New Board members must complete the formal induction programme developed by the board to ensure that they can become as effective as possible, as quickly as possible, in their new role. Failure to do so without good reason is a serious breach of this Code.

Board members should ensure that they are properly equipped to carry out their responsibilities. It is not sufficient to rely on current knowledge and experience. In order to keep pace with changing needs, and changing legal and financial obligations, Board members need to undergo appropriate training and professional development on an ongoing basis.

All Board members shall take part in any training which the board resolves that they should undertake.

Failure to do so without good reason is a serious breach of this Code.

Hospitality and gifts

Board members must not, in their capacity as Board member (or what might be perceived as their capacity as Board member), receive from or give to any person or organisation any hospitality, gift or any other benefit, except in the following circumstances:

- Working meals or refreshments.
- Inexpensive items (less than £10 in value) such as free calendars.
- Hospitality in the course of British Wool's business, which is disclosed to the secretary and recorded in a register kept for this purpose.

Board members must observe the terms of British Wool policy concerning hospitality and gifts.



Serving on the Board of another organisation

Board members who serve on the board of any other organisation must treat their roles as Board member of British Wool and Board member of any such organisation as separate. This means that:

They must maintain confidentiality in relation to information they receive in one capacity, and not disclose any such information in the other capacity unless they are expressly authorised to do so.

When making decisions as a Board member of British Wool, they must make such decisions in what they consider to be in the best interests of British Wool, and when making decisions as a Board member of another organisation, make them in what they consider to be in the best interest of that organisation.

Breach of this Code

All Board members accept that they must comply with this Code if the board is to function and carry out its role properly and efficiently. Where any Board member alleges that another Board member is in breach of this Code, the following provisions will apply:

If the allegation is made in the course of a meeting, the matter is to be referred to the Chair, who may:

- Request the Board member alleged to be in breach to desist from any behaviour giving rise to the breach.
- Defer the matter to be considered by the board on a subsequent occasion.
- Adjourn the meeting.
- Request that the Board member alleged to be in breach temporarily leaves the meeting for the matter to be discussed by the remaining Board members present.
- Exclude the Board member alleged to be in breach for the remainder of the meeting.

If the remaining Board members are to consider an allegation of a breach of this Code at any time, the Board member alleged to be in breach shall be given the opportunity to respond to the allegation.

If the remaining Board members consider that a Board member has committed a breach of this Code:

- The breach shall be minuted by the secretary.
- The Board may recommend that the Board member in breach undergoes disciplinary action and/or training.
- The Board may resolve to report the matter to the members at the next General meeting.

If an Appointed member is considered to be in serious breach of the Code, the Chair of the Board may inform the Department for Environment, Food and Rural Affairs.

Before any such resolution can be considered, the Board member alleged to be in serious breach shall be notified in writing of the alleged breach, and shall have an opportunity to answer the allegations made and to rectify the breach. In such cases where the governing document make provision for this instance they will take precedence over this Code.



7 Policies and Procedures

British Wool has in place a series of policies and procedures for employees and others to follow. These policies and procedures are updated regularly and subject to change as and when is appropriate.

A copy of each policy is available on the British Wool intranet site or from the Human Resources department. A number of policies highlighted in bold below have been included in Appendix 15.

Policy 1	Absence & Sickness	Policy 26	IT Security & Acceptable Use
Policy 2	Holiday	Policy 27	Social Media
Policy 3	Disciplinary	Policy 28	Data Protection
Policy 4	Grievance	Policy 29	Data Protection & Disposal of Records & Documents
Policy 5	Anti-Harassment & Bullying	Policy 30	Subject Access Request
Policy 6	Equal Opportunities	Policy 31	Staff Privacy
Policy 7	Health & Safety	Policy 32	Job Applicant Privacy Notice
Policy 8	Fire Safety	Policy 33	Time off for Dependents
Policy 9	Disability	Policy 34	Maternity
Policy 10	Employee Monitoring	Policy 35	Paternity
Policy 11	Retirement	Policy 36	Parental Leave
Policy 12	Redundancy	Policy 37	Shared Parental Leave
Policy 13	No Smoking/Vaping	Policy 38	Intranet
Policy 14	Right to Apply for Flexible Working	Policy 39	Authorisation Policy
Policy 15	Whistleblowing	Policy 40	Mobile Phones
Policy 16	Anti-Fraud	Policy 41	Quality Assurance Policy & Statement
Policy 17	The Bribery Act 2010	Policy 42	Press Media Relations
Policy 18	Adverse Weather Disruption	Policy 43	Training Malpractice and Maladministration
Policy 19	Group Car	Policy 44	Training Complaints Procedure
Policy 20	Business Expense	Policy 45	Training Equality and Diversity
Policy 21	Staff Loan	Policy 46	Training Complaints and Appeals
Policy 22	Clear Desk & Screen	Policy 47	Menopause
Policy 23	Dress Code 2018	Policy 48	Compassionate Leave and Parental Bereavement Leave
Policy 24	Internet Access	Policy 49	Jury Service
Policy 25	Email	Policy 50	Homeworking