

RAIL WAGON ASSOCIATION

Finance Committee

of the
Board of Directors

TERMS OF REFERENCE

1. Introduction

It is considered that Board meetings may not be the most appropriate forum for discussing detailed financial, audit and remuneration considerations due to the complexity and length of time required to discuss and determine such matters. In order to resolve this a Finance Committee has been established by the Board, whose membership, remit, and responsibilities will be as set out below.

2. Purpose

The purpose of the Finance Committee is to review the current and projected financial performance of the RWA and oversee the annual audit process.

3. Duties and Responsibilities

The principal responsibilities of the Finance Committee are to:

- a) Review the annual budget and ensure that it is line with the expectations of the Board.
- b) Review the Management Accounts in order to satisfy itself that the RWA is currently trading in accordance with the financial objectives and expectations of the Board and, in so doing, identify any material variances and any actions necessary to remedy such variances.
- c) Review the broad policy for the remuneration and terms and conditions of engagement for any consultant engaged by the RWA, including the General Manager if the role is held on a consultancy basis.
- d) From time to time, and normally on an annual basis, review and make recommendations regarding the remuneration of any consultant engaged by the RWA.
- e) From time to time, review and determine the principles and detailed financial elements of the Subsistence and Out-of-Pocket Expenses policy applicable to the Directors, Company Secretary or any consultant engaged by the Company.
- f) Produce any other financial forecasts or information as requested by the Board.
- g) From time to time, and normally on an annual basis, review the quality and cost of the annual audit and make recommendations regarding any change of auditor.

In carrying out its duties, the Committee should be mindful of the need for the Company to pursue its objects as stated in its Articles of Association, namely:-

- i. to undertake the role of a professional trade body for any person or persons who operate, maintain, manage infrastructure for, supply products to, supply services to or promote Rail Freight Wagons within any part of the region;

- ii. to represent the interests of Rail Freight Wagon owners, keepers, users, designers, manufacturers, hirers, consultants, ECMs, maintainers and operators by liaison with industry participants, the DfT, the UIC (via UIP membership) and any other appropriate bodies;
- iii. to support the production and maintenance and harmonisation of industry standards and guidance for Rail Freight Wagons through RSSB and other appropriate bodies in accordance with the interests of Member companies;
- iv. to support and promote the safe design, construction and operation of Rail Freight Wagons;
- v. to develop and share best practice and to support and promote innovation through the development of more efficient Rail Freight Wagon designs, maintenance and operation;
- vi. to promote rail freight as an efficient, cost effective and environmentally friendly means of freight distribution both nationally and internationally with the UK Government, the European Union and any other appropriate bodies; and
- vii. to promote the enhancement of the rail infrastructure for Rail Freight Wagons.

4. Membership

- a) The Committee shall be made up of at least 3 members and no more than 4 members, all of whom must be Directors.
- b) Members of the Committee shall be appointed by the Board and serve for the rest of their term of office of the Board, unless they choose to resign.

5. Quorum

The quorum necessary for the transaction of business at meetings of the Committee shall be 3 members.

6. Chair

The Committee shall determine amongst themselves who shall be the Committee Chair. In the absence of the appointed Committee Chair, the remaining members present shall elect one of their number to chair the meeting.

7. Secretary

The Committee Chair shall be the Secretary of the Committee.

8. Meetings

- a) Meetings of the Committee shall only be called by the Chair of the Committee, giving at least 5 days' notice.
- b) The Committee shall meet not less than 4 times in any year. The timing of these meetings will be at the discretion of the Chair but should generally be arranged to ensure that sufficiently timely financial information is available as required for consideration at each Board meeting.
- c) Meetings can be held physically or by using a virtual meeting facility.
- d) The Committee Chair shall minute the proceedings of the Committee, including recording the names of those present.
- e) Minutes of Committee meetings shall be circulated to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.

9. Reporting

The Committee Chair shall submit a report to the Board after each Committee meeting. This report should summarise the key conclusions from the meeting and detail any recommendations for consideration by the Board.

10. Committee Performance

The Committee shall, at least once every 2 years, review its own performance, membership, 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 Committee is authorised by the Board to seek any non-commercially sensitive information it requires from any Director, Member, employee, or consultant engaged by the RWA in order to perform its duties.

Approved by the Board

Signature: 

Name: R K Brook

Date: 25th November 2020