



SCOTTISH RUGBY UNION

TERMS OF REFERENCE

OF THE

STANDING COMMITTEE ON GOVERNANCE

Approved on 28 July 2023

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1. Introduction

- 1.1. The Union is required under the Union’s Articles of Association to establish an independent standing committee on governance to review and make recommendations in relation to governance matters, from time to time.
- 1.2. The Board has resolved to establish the Committee under and as permitted by the SRU Articles, with the delegated powers and responsibilities set out in these Terms of Reference and decisions made by the Board from time to time.
- 1.3. Nothing in these Terms of Reference shall be construed or interpreted so as to prevent the Board or the board of directors of the Company, or any working group or committee of the Union, the Board, the Company or the Company’s board of directors, from carrying out their own functions and legal responsibilities and duties under the Union’s and Company’s constitutional documents or applicable law.
- 1.4. In these Terms of Reference, the terms listed below shall, where used, have the meanings ascribed to them:

“Board”	means the Board of the Union;
“Company”	means Scottish Rugby Limited, a private limited company registered in Scotland with registered number SC132061;
“Committee”	means the Union’s Standing Committee on Governance;
"Committee Chair"	the means the person appointed by the Board from time to time as Chair of the Committee, or the Committee member who acts as chair in the appointed Chair’s absence;
“Union”	means the Scottish Rugby Union, a company limited by guarantee registered in Scotland with registered number SC748672.

2. Membership

- 2.1. The Committee shall comprise at least two members, in addition to the Committee Chair. Membership of the Committee shall be subject to the approval of the Board.
- 2.2. Committee membership shall be for a term of not more than 3 years from the date of appointment. Committee members shall be eligible for renewal or extension of their term for one additional three year term in any twelve year period.
- 2.3. Renewal or extension shall be at the discretion of and subject to, the approval of the Board.
- 2.4. The Committee Chair shall be appointed by the Board.
- 2.5. At the time of appointment or re-appointment, and at all times during their membership of the Committee, the members of the Committee must be independent and free from any business

or other relationship which could materially interfere with the exercise of their independent judgement.

- 2.6. For the purposes of these Terms of Reference, **“independence”** shall be determined against the criteria for determining the independence of directors identified in the Union’s Articles of Association. Membership of a club in full membership of the Union shall be excluded from the assessment of “independence”.
- 2.7. The Committee may be assisted by such other persons as may be nominated from time to time by the Committee and who are considered by the Committee to have skills, experience or qualifications that are required to assist the Committee with its roles, responsibilities, remit and powers. Such persons may be invited to Committee meetings as an observer. The grant of observer status shall be subject to the approval of the Board. Observers shall not be members of the Committee or entitled to vote at Committee meetings.
- 2.8. Members of the Committee and observers shall not act as representatives of any particular club, league, region, forum or group within the game and shall act, in good faith, impartially and objectively in the best interests of Scottish Rugby as a whole.
- 2.9. It is a condition of membership of the Committee, or the grant of observer status, that Committee members and observers sign (if they have not already done so) and adhere to the Scottish Rugby Code of Conduct.
- 2.10. If a member of the Committee wishes to withdraw from membership, they may do so at any time by written notice to the Committee Chair. The withdrawing member need not be replaced unless approved by the Board or unless it is necessary to do so in order to maintain a quorum.
- 2.11. The Committee Chair or any other member of the Committee may be required by the Union to withdraw from the Committee if:
 - 2.11.1. a conflict of interest arises in relation to that member;
 - 2.11.2. the member repeatedly fails to attend Committee meetings without reasonable excuse;
 - 2.11.3. the member breaches these Terms of Reference or the Scottish Rugby Code of Conduct;
or
 - 2.11.4. the member behaves, while on the Committee or otherwise, in a manner which in the reasonable opinion of the Board is unprofessional, dishonest, offensive, abusive, insulting or discriminatory or which may bring or have the potential to bring, the Union, the Board, the Company or any of their stakeholders into disrepute.
- 2.12. Subject to the Union’s Articles of Association, the Committee shall continue until it is disbanded by the Board.
- 2.13. The Committee may appoint a Secretary to provide reasonable administrative and secretariat support to the Committee. The Company shall provide this support to the Governance Committee, if requested to do so by the Board.

3. Quorum, Attendance and Business at Meetings

- 3.1. The quorum for Committee meetings shall be two-thirds of the Committee’s then current membership.

- 3.2. Committee members shall disclose any actual or potential conflict of interest at the beginning of a Committee meeting or immediately on it arising, to then be dealt with by the Committee as provided for in the Union Code of Conduct.
- 3.3. Meetings of the Committee may be held in person, or by conference telephone or video conference call.
- 3.4. Recommendations of the Committee shall be sought on a unanimous basis but where unanimity is not established the Committee shall be entitled to make a recommendation through a simple majority of its members.
- 3.5. Any resolution or decision of the Committee in writing (including by e-mail) signed, or in the case of e-mail providing assent, by a majority of the members of the Committee shall be as effective as a resolution passed or a decision made at a meeting of the Committee duly convened and held, and may consist of several documents in like form, each signed or in the case of email, providing assent, by one or more of the members of the Committee.
- 3.6. Notwithstanding paragraph 2.4 above, if
 - 3.6.1. it has been confirmed that the Committee Chair will not be present at a Committee meeting; or
 - 3.6.2. by 15 minutes after the scheduled time of commencement of a Committee meeting the Committee Chair is not present; or
 - 3.6.3. the Committee Chair is recused from participation for part or all of a Committee meeting,

another member of the Committee may act as temporary Chair for that meeting or the remainder of that meeting, provided that the meeting is otherwise quorate.

4. Frequency and Location of Meetings

Meetings will be held on such occasions and at such times and places, including in person, by telephone or videoconference, as the Committee Chair may consider necessary and convenient for the purposes of conducting the Committee's business.

5. Remit

- 5.1. The remit of the Committee shall be one of review and recommendation and reporting to the Board and, if applicable under these Terms of Reference, to the Union, with a view to improving the standard of corporate governance within the Union and its subsidiary companies, as follows:
 - 5.1.1. To review and if thought fit, make recommendations in connection with the composition and remit of the Union's Club Rugby Board if requested by the Board to do so, and in any event to conduct such a review by no later than November 2025 and every 5 years thereafter;
 - 5.1.2. if requested by the Board, or if required by the Union by the Union's members by ordinary resolution in general meeting, which failing, once in every 5 year period, to review and if thought fit, make recommendations on the wider governance structures of the Union;

- 5.1.3. in conjunction with the Board and the board of directors of the Company, to review the terms of the Relationship Management Agreement between the Union and the Company dated 2 November 2022 , by no later than November 2024
- 5.1.4. to consider, and if thought fit, make recommendations to the Board, after consultation with the Company and the Board, on the suitability of various governance codes for potential application to or adoption by the Union, whether in whole or in part;
- 5.1.5. to review and comment on any report by the Board on the Union's application of and extent of compliance with any governance standards adopted or applied;
- 5.1.6. to report to the Union's members on the Union's application of and compliance with any governance standards adopted;
- 5.1.7. to advise the Board periodically with respect to significant developments in the law and practice of corporate governance and corporate governance reporting and if thought fit, make recommendations to the Board in relation to such corporate governance standards and reporting;
- 5.1.8. to bring to the attention of the Board any significant governance concerns communicated to it by member clubs of the Union;
- 5.1.9. to provide input for the Union's Annual Report in relation to the work of the Committee;
- 5.1.10. to provide an update to the membership of the Union at its AGM, if requested to do so by the Board; and
- 5.1.11. to consider such other matters related to the Union's governance as the Board may from time to time refer to the Committee or which the Union's members, by ordinary resolution in general meeting, may require the Committee to undertake.

6. Powers

- 6.1. Neither the Committee nor any of its members or observers while acting in their capacity as members of the Committee or observers, shall act on behalf of or hold itself or themselves out as being entitled to act on behalf of the Union or the Company or bind the Union or the Company in any way.
- 6.2. The role of the Committee shall be restricted to review and recommendation, in accordance with these Terms of Reference and it shall not have any decision-making authority.
- 6.3. The Committee may request that external advice and assistance be obtained to assist the Committee in the performance of its responsibilities. Engagement of external advisers, and their fees shall be subject to the prior approval of the Union Board, and after consultation with SRL.

7. Remuneration and Expenses

- 7.1. Participation on the Committee is unpaid.
- 7.2. Expenses, including mileage claims, wholly, reasonably and necessarily incurred by a member of the Committee as part of the Committee's business will be reimbursed, subject to the

provision of receipts and the expenses being in accordance with the Company's then current Expenses Policy.

- 7.3. All expenses claims should be submitted to the Secretary to the Committee or if no Secretary has been appointed), to the Union's Company Secretary.

8. Papers and Reporting

- 8.1. A copy of the papers for each meeting of the Committee shall be made available to each member of the Committee as soon as reasonably practicable in advance of that meeting.
- 8.2. The minutes of meetings of the Committee (once approved for such circulation) shall be circulated to members of the Governance Committee and the Board as soon as reasonably practicable after the relevant meeting.
- 8.3. The Committee shall be required to report on the activity of the Committee to:
 - 8.3.1. the Board on a quarterly basis, or as otherwise requested by the Board, and
 - 8.3.2. the Union, annually.

9. Confidentiality

The papers and deliberations of the Committee shall remain confidential and shall not be disclosed or circulated other than as provided for in these Terms of Reference, unless the consent of the Committee Chair has been obtained. Committee members may be required to enter into separate confidentiality undertakings.

10. Amendments to Terms of Reference

These terms of reference, and any amendments to them shall be subject to the approval of the Board.

Approved by the Board: 28 July 2023.