

# Commercial Committee

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## Terms of reference

**Approved by the Board of Trustees on 28 March 2023**

### **Constitution**

1. The Board of Trustees ('the Board') of the British Council has established a Committee of the Board to be known as the Commercial Committee ('the Committee').

### **Role and responsibilities**

2. On behalf of the Board the Committee oversees the British Council's charitable activities undertaken on a commercial basis to ensure that the management of those activities is effective, transparent and aligned to corporate plans. The Committee's responsibilities relate to the British Council group as a whole.
3. The Committee's focus is oversight of the British Council Group's ('the Group') management of strategic issues relating to the areas of English teaching and examinations, including partnerships and the development of new products and innovations in these areas. The Committee is not responsible for the operational management of these areas.
4. The Committee will:
  - a. advise the Board on investment, access to financing, legal structures, remuneration and talent management required to support the Group's commercial activities;
  - b. provide an oversight and scrutiny role, on behalf of the Board, in respect of proposed and existing English teaching and examinations partnership arrangements (including joint ventures) and the development of new English teaching and examinations products and innovations in these areas;
  - c. act as a 'critical friend' to the Senior Leadership Team (SLT) in thinking about overall and specific new British Council funding opportunities and the long-term optimal balance between grant, partnership, commercial and other funding; and
  - d. support the British Council's (SLT) to define the strategic direction for the British Council's activities undertaken on a commercial basis and provide oversight for the management and delivery of these activities, ensuring that the management and delivery are effective, transparent and in line with corporate objectives.

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## Authority

5. In relation to the British Council's commercial activities, the Committee is authorised:
  - a. to seek any information it requires from any employee of the British Council group in order to perform its duties,
  - b. to call any employee to a meeting as and when requested,
  - c. to have full access to any third party advisor it may request.

## Membership and attendees

6. All members of the Committee shall be appointed by the Board and may be removed by the Board.
7. The Committee shall comprise at least three members of whom at least two (including the Chair) shall be Trustees of the British Council.
8. Subject to the Board's approval of the appointments, the Committee may co-opt up to two independent members to provide specialist skills, knowledge and experience. Co-opted members may serve a term of up to three years, renewable once.
9. If the Chair of the Committee is unable to attend a meeting, he/she may nominate another Trustee on the Committee to chair that meeting.
10. The members of the Committee shall be selected such that the Committee as a whole has a broad range of skills and experience commensurate to its role and responsibilities.
11. The members will be independent of management and free from any factor which might interfere with the exercise of independent judgement.
12. Where possible, and without compromise to the balance of skills, the composition of the Committee should be diverse.
13. Committee meetings will normally be attended by the British Council's Chief Executive, Chief Financial Officer and Director English and Examinations. Other staff may attend subject to the agreement of the Chair of the Committee. The Committee may ask any other officials of the British Council to attend to assist it with its discussions on any particular matter, subject to reasonable notice.
14. The Committee may ask attendees who are not members to withdraw from meetings to facilitate open and frank discussion of particular matters.

## Conflicts of interest

15. All members must act solely in the interests of furthering the charitable objectives of the British Council for public benefit.
16. The conflicts of interest of members, including any co-opted members, shall be declared and managed in line with the procedure for Trustees set out in clauses 13 to 17 of the Royal Charter.

## Quorum and frequency of meetings

17. The quorum will be two Committee members of whom at least one must be a Trustee.
18. The Committee will meet regularly and normally six times a year. The Chair may call an additional meeting at any time.

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## **Secretary**

19. The Committee's secretary shall be the Secretary to the Board of Trustees of the British Council or another member of British Council staff as agreed by the Secretary to the Board and the Chair of the Committee.

## **Minutes of meetings**

20. The secretary shall take minutes of all Committee meetings.
21. Draft minutes shall be circulated promptly to the Chair for initial review prior to circulation as a draft to the Board. The minutes shall be submitted for approval at the next meeting of the Committee.
22. Once approved the minutes shall be retained as part of the organisation's records.

## **Reporting**

23. The Chair of the Committee, or in their absence another Trustee member, shall report to the Board at the next Board meeting.
24. The Committee's effectiveness shall be considered as part of the externally facilitated Board effectiveness reviews.
25. The Chair of the Committee has direct access to report to the Chairman of the Board as required.

## **Review of the terms of reference**

26. The Committee shall review its terms of reference annually and submit any proposed changes to the Board for approval.