

Channel Four Television Corporation

Board Terms of Reference

Updated January 2015

INTRODUCTION

This document sets out the terms of reference for the Channel 4 Board. The Board acknowledges that this document may change from time to time and, save for the terms of reference (but not the membership of the same) in relation to the main C4C Board, amendments may be made to the document from time to time to ensure that it is up to date without the Board's approval.

Corporation Board

Purpose: To discharge the responsibilities of the Corporation in accordance with all applicable laws and regulations and to undertake the responsibility of arranging, through delegation, the formation of committees or otherwise, the day to day running of the Corporation.

Chair	Secretary
Lord Burns (Non-Executive Member)	Paula Carter (Board Secretary)
Executive Members	
David Abraham	Chief Executive
Jonathan Allan	Sales Director
Jay Hunt	Chief Creative Officer
Dan Brooke	Chief Marketing and Communications Officer
Non Executive Members	
Alicja Lesniak	
Monica Burch	
Richard Rivers	
Mark Price	
Paul Potts	
MT Rainey	
Josie Rourke	
Stewart Purvis	

Terms of Reference
<p>Scope</p> <p>The Members of the Corporation Board (the “Board”) have full responsibility for ensuring that the primary functions of the Corporation are discharged in accordance with arrangements and procedures which have (to the extent required in accordance with paragraph 6(2) of Schedule 3 of the Broadcasting Act 1990), the approval of Ofcom.</p> <p>Key responsibilities include the debate and resolution of strategic priorities; final sign-off on major decisions, including annual budget, remuneration policy and other Corporate level financial decisions, including major new ventures; and the monitoring of all aspects of the Corporation’s performance.</p> <p>The non-Executive members of the Board are further charged with ensuring that management decisions are conducive to the Channel 4 Television Corporation’s primary functions, appointing the Chief Executive and monitoring the performance of the Group.</p>
<p>Process</p> <p>The Board receives a detailed report from the Executive at each of the regular full meetings of the Board. Any Member may submit proposals or papers for the consideration of the Board.</p> <p>Meetings are minuted. Actions are delegated to the Board Secretary between meetings.</p>
<p>Frequency</p> <p>At monthly intervals throughout the year.</p>

Notice of Board Meetings

The Board Secretary gives notice in writing to all Members specifying the date, time and location of normal full Board meetings and will circulate an agenda for such meeting together with copies of the papers prepared by Executive Members for consideration, any papers submitted by other Members for consideration, draft minutes of the preceding full meeting and of any interim ad hoc meetings of the Board. Such notice and papers will normally be sent no later than five days before the date of the meeting, although later circulation of the notice or of papers for consideration may on occasion be necessary and will in no way invalidate the considerations of the Board or any decisions made at such meeting. The full Board will normally meet at least six times during each year.

Ad hoc meetings of the Board may also be called at the request of the Chief Executive (or, in his absence, by the Chief Creative Officer), with the agreement of the Chair or Deputy Chair, or by the Chair or Deputy Chair in consultation with the Chief Executive. Such meetings will normally only be called to consider exigencies which should, in the view of the Executive Member calling the meeting, not await the next full meeting for consideration by the Board. In such circumstances the Board Secretary will notify such Members of such meeting by telephone, e-mail or letter as soon as possible, aiming normally to give at least 24 hours prior notice, although shorter notice might on occasions be necessary.

Members who are unable to attend meetings of the Board may request the Chairman or Deputy Chairman to express their views on the issues to be considered at the Board meeting and may request the Chairman or Deputy Chairman to ensure that the expression of such views is recorded in the minutes of the meeting. No provision is made for Members to vote by proxy or by means of power of attorney.

Matters considered or decided at a meeting of the Board of which any Member, (despite the Board Secretary's best efforts), has not received notice, or which for any reason such Member is unable to attend will, subject to the necessary quorum being present, be valid, as will any vote on matters raised by a Member at a meeting without prior notice on an agenda previously circulated. The accidental omission to give notice of a

meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

The Members require the Board Secretary or, in her absence, one of the Members, to record the proceedings of Members' meetings, the names of those attending, summaries of views expressed and the decisions made.

Quorum

For a meeting of the Board to be quorate the following criteria must be met:

- (i) no fewer than three Members must be in attendance;
- (ii) a majority of the Members attending must be Members appointed by Ofcom (i.e. Non-Executive Members) unless and to the extent that the provisions of paragraph (v) below apply;
- (iii) those present must include the Chairman or the Deputy Chairman (or if neither are available then another Member appointed by Ofcom who is nominated by the Chairman to attend and preside at the meeting); and
- (iv) no fewer than one Executive Member must be in attendance.
- (v) If all the above criteria are met other than the majority stipulated in paragraph (ii) above, then the meeting, or that part of the meeting, shall nevertheless be deemed quorate, except that if the Chairman of the meeting or any other Member calls for a vote on any particular resolution or decision, the Chairman of the meeting may rule that a vote on that resolution or decision should be deferred until the next scheduled meeting, or to an ad hoc meeting of the Board called to deal with it.

Attendance at a meeting by a Member may be in person, or made by telephone or an alternative means of communication.

Procedural Requirements at Board Meetings

The Chairman or, if he is not available, the Deputy Chairman or if he is not available, such person as the Chairman may nominate for this purpose, shall preside at every meeting of the Board. Questions arising at a meeting shall be decided by a majority of votes. In the case of a tie, the chairman of the meeting shall have a second or casting vote.

A meeting of the Members of the Board or of a committee of the Board may consist of a conference between Members who are not all in one place, but of whom each is able (directly or by telephone or an alternative means of communication) to speak to each of the others and to be heard by each of the others simultaneously.

Special Meetings of the Board

Where any matter arises which is not delegated under these operating procedures and where urgency requires a decision before the next ordinary meeting of the Board, the Chief Executive will consult with the Chairman (or, in his absence, the Deputy Chairman) who will determine whether an existing committee of Members should be called, or whether all the Members should be called to a special meeting of the Board or should be otherwise consulted.

Disclosure of Interests

In accordance with the provisions of paragraph 7 of schedule 3 of the Broadcasting Act 1990, the Members shall give a general notification to the meeting disclosing any interest that they may have in a matter and, unless the Members resolve that the Members interest should be disregarded, that Member shall not take any part in the decision of the Members relating to such matter.

In determining whether a Member has a disclosable interest, reference should be made to Channel 4's Code of Conduct (specifically, the provisions regarding conflicts of interest, set out in part 3 of the Code). In addition, Members are required to consider relevant provisions of the Companies Act 2006 ("the 2006 Act") which apply to conflicts of interest (including, without limitation, section 175 of the 2006 Act).

Members should also have regard to, and disclose details of, any conflicts of interest which might arise where a person "connected" to a Member (as defined in section 252 of the 2006 Act) could personally benefit from an arrangement entered into with or on behalf of the Corporation.

Where a conflict of interest arises or is likely to arise, a Member must notify the Chairman of such conflict as soon as is reasonably practicable. Examples of when a conflict of interest might arise include a company in which a Member has an interest working with the Corporation.

Members should disclose to the Board Secretary any direct involvement in production of any content that is intended for exploitation by the Corporation, other than when that is a natural part of their professional position notwithstanding their membership of the Board. Specifically in relation to appearances or invitations to appear in content that is intended for exploitation by the Corporation, such matters must be disclosed to the Chairman for consideration in accordance with the provisions above and with the Code of Conduct, which may require that prior approval of the Chairman is obtained.

All Members should make a formal disclosure of interests at least annually. However, Members must continue to disclose details of any significant interests and provide updates to existing disclosures to the Board Secretary as they arise during the course of the year. For the avoidance of doubt, such disclosures shall include details of any interests concerning the Member or a person "connected" with a Member, where such interest is likely to lead to a conflict.

Auditors

The Group Finance Director shall make available copies of the monthly financial report and of all Board minutes to the audit partner of the Corporation's auditors.

Compliance with Requirements for Accounts and Audit and Annual Report

The Members are responsible for ensuring that the Corporation complies with the provisions of paragraphs 12 (Accounts & Audit) and 13 (Annual Report) of Schedule 3 of the Broadcasting Act 1990, including the provision of information and reports to the Secretary of State as appropriate.

Signing Powers

All documents shall be authorised in accordance with Schedule 3 of the Broadcasting Act 1990 or otherwise in accordance with these Terms of Reference.

The Members have resolved that deeds may be executed by any two Executive Members, or by any other two employees of the Corporation expressly authorised by an Executive Member for such purpose.

Contracts

For contracts other than deeds, Section 1 of the Corporate Bodies' Contracts Act 1960 applies. The statute provides that contracts required to be in writing made by any body corporate (other than a company registered under the Companies Act 2006) may be signed by "any person with authority, express or implied".

Once a contract has been approved by the Board, any Director may sign the contract on behalf of the Corporation regardless of individual delegated authority limits.

The extent of any individual's power to sign agreements on behalf of the Corporation and any of its subsidiaries or divisions are set out from time to time by the Finance department. For further information please contact Glyn Isherwood, Group Finance Director.

Matters for Reference to the Full Board

In the exercise of the responsibilities of Members of the Board, and without prejudice to any other matters which the Members may from time to time wish to reserve for particular reference to the Board, the Members have stipulated that the Executive Members are required to refer the following matters to a meeting of the full Board:

- (i) the Corporation's annual budget (programme and non-programme);
- (ii) the appointment and re-appointment of the Chief Executive;
- (iii) confirmation of the appointment and re-appointment of the other Executive Members nominated by the Chief Executive and the Chairman acting jointly in accordance with Section 23(5)(b) of the Broadcasting Act 1990;
- (iv) banking arrangements and loan facilities;
- (v) any material change in the Corporation's headcount;
- (vi) any significant proposal outside the ordinary course of the Corporation's business;
- (vii) the appointment and re-appointment of statutory auditors;
- (viii) the audited accounts of the Corporation presented by the Audit Committee; the establishment, purchase or acquisition of any qualifying company and the approval or variation of terms of reference for any Corporation subsidiary;
- (ix) new business investments of over £2 million or those deemed to be high risk; and
- (x) such other matters as the Board may from time to time resolve to review or decide.

If a member has concerns about the running of the Corporation or about a proposed action of the Board, that member should ensure that their concerns are recorded in the Board minutes.

The Chairman and the Chief Executive

The Chairman has the responsibility for leading the Board in setting the values and standards of the Corporation and of maintaining a relationship of trust with and between the Executive and Non-Executive Members.

The Chairman is responsible for inter alia:

- (i) leadership of the Board, ensuring its effectiveness on all aspects of its role including the setting of the agenda;
- (ii) ensuring that all Members receive accurate, timely and clear information;
- (iii) arranging the regular evaluation of the performance of the Board and its committees
- (iv) ensuring that all Members continually update their skills and the knowledge and familiarity with the company required to fulfil their role both on the Board and on committees; and
- (v) facilitating the effective contribution of Non-Executive Members and ensuring constructive relations between Executive and Non-Executive Members.

The role of the Chief Executive is to run the business of the Corporation under the delegated authority from the Board and to implement the policies and strategy agreed by the Board. In addition, the Chief Executive, on behalf of the Board, should ensure effective communication with Ofcom and other key stakeholders.

The same individual shall not exercise the roles of Chairman and Chief Executive. In addition, a Chief Executive of the Corporation shall not go on to become Chairman of the Corporation.

Board Secretary

Under the direction of the Chairman, the Board Secretary's responsibilities include ensuring good information flows within the Board and its committees and between senior management and Non-Executive Members, as well as facilitating induction and assisting with professional development as required.

The Board Secretary shall be responsible for ensuring that the Board, through the Chairman, is properly advised on all governance matters.

For relevant legal advice, the Board, through the Chairman, may seek input directly from the Head of Legal (Regulatory, Governance and Trading) or other management staff as required.

The Board Secretary should be available to provide assistance and relevant support to all Members, to ensure that Board procedures are complied with.

Executive Members

The Board shall not agree to a full time Executive Member taking on more than one non-executive directorship in a FTSE 100 company nor the Chairmanship of such a company.

Appointment of Non-Executive Members

On appointment, each Non-Executive Member (including the Chairman) should satisfy the independence criteria:

The Board shall determine whether the Member is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Member's judgment. The Board should state its reasons if it determines

that a Member is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the Member:

- (i) has been an employee of the Corporation or Group within the last five years;
- (ii) has, or has had within the last three years, a material business relationship with the Corporation either directly, or as a partner, shareholder, director or senior employee or a body that has such a relationship with the Corporation;
- (iii) has received or receives additional remuneration from the Corporation apart from a Member's fee, participates in the Corporation's performance-related pay scheme or is a member of the Corporation's pension scheme;
- (iv) has close family ties with any of the Corporation's advisers, Members or senior employees;
- (v) holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; or
- (vi) has served on the Board for more than five years from the date of their first election.

The Board shall appoint one of the Non-Executive Members to be the Senior Independent Member.

Resignation

Upon resignation, a Member shall provide a written statement to the Chairman for circulation to the Board if he/she has any concerns, which have not been resolved about the running of the Corporation or a proposed action.

Professional Advice

The Board shall ensure that Members, especially the Non-Executive Members, have access to independent professional advice at the Corporation's expense where they judge it necessary to discharge their responsibilities as Members.

Conduct

The Board is responsible for establishing the highest standards of corporate conduct and ethical behaviour for Channel 4, for maintaining oversight, and exemplifying expected practice through their own behaviours. The Board shall from time to time approve the Corporation's Code of Conduct and Members shall have regard and be subject to the provisions of the Code.

To conform with the Code of Conduct, the Board shall (inter alia) ensure that it:

- (i) receives regular briefings from management on ethical and compliance-related emerging risks, new laws and regulations, and good practice that are relevant to Channel 4 and the market it operates in;
- (ii) receives and reviews reports of audits and monitoring of ethical & compliance procedures and processes as received from the Audit Committee and/or management. The Chairman of the Board and the Chairman of the Audit Committee shall receive and review any summary reports issued through the Speak Up Whistleblowing process.