BBC Commercial Holdings Limited - Board of Directors

Terms of Reference

1. Constitution

1.1 BBC Commercial Holdings Limited (‘BBCCHL’ and the ‘Company’) is a private limited company wholly-owned by the British Broadcasting Corporation. BBCCHL was incorporated under the Companies Acts on 18th June 2002. Its constitution is set out in its Memorandum and Articles of Association (copies are available on request).

2. Authority of the Board

2.1 The BBCCHL Board approves the BBC Commercial Group’s strategy and that of each commercial subsidiary. The commercial subsidiaries are defined as BBC Global News Holdings Limited, BBC Worldwide Limited, BBC Studioworks Limited and BBC Studios Limited (and their subsidiaries), together with BBC Children’s Productions Limited and BBC Store Limited.

3. Membership and attendance

3.1 The Board of Directors comprises the Director General, who is the Chairman, the Deputy Director General, two non executive directors and six senior BBC executives, the majority of which will be drawn from the commercial sectors of the BBC group.

3.2 The quorum shall be any two directors for all BBCCHL board meetings of which one must be either the Director General or Deputy Director General.

The quorum for any committees of the BBCCHL board formed under section 7 of these terms of reference, may differ and shall be recorded in the terms of reference or constituting resolution, passed by the directors, of the relevant committee.

3.3 The Company Secretary attends all Board meetings as Secretary to the Board. Other managers or external advisers may be invited to attend all or part of any meeting.

4. Responsibilities of the Board and Reporting

4.1 The Board of Directors’ principal responsibilities (not exhaustive) are:

- Develop and articulate the BBC’s Group Commercial and business strategy for agreement and sign off by the BBC Board applying the following principles:
  - Protect overall Licence Fee Payer value in BBC Group’s Intellectual Property creation, management and exploitation.
- Protect the BBC’s brand and reputation both in the UK and globally.
- Growing the BBC’s interest and return from IP across the BBC Group as a whole – identifying business development opportunities, new business models and new partnerships.

- Set BBC Group’s rights strategies & frameworks, windowing and IP models to ensure they meet the BBC Group’s Commercial Strategy.

- Co-ordinate and direct business engagement with key partners across BBC Divisions and externally.

- Implement appropriate governance mechanisms around the BBC’s commercial activities, approving:
  - Statutory accounts and any formal public statements of performance.
  - The Groups Commercial strategy and 3 year plan.
  - All investment decisions in line with Group delegations
  - Any significant deals or precedential issues which may be novel or impact on BBC’s reputation and or brand.

- Assure regulatory and legal compliance and other BBC Policy adherence.

- Oversee delivery of all formal Board responsibilities.

- Ensure that the business plans of the Commercial Subsidiaries align with and support the overall BBC Group commercial strategy.

- Agree business plans with Commercial Subsidiaries that deliver the Executive’s objectives for investment and profit.

- Set, monitor and report on key metrics supporting BBC Group’s Commercial Strategy.

- Make effective use of commercial debt facility (whilst ensuring compliance with covenants).

- Hold the BBC Public Service Divisions, Genres and Commercial Subsidiaries to account for delivering their element of the commercial strategy.

- Monitor the delivery of all commercial objectives, targets and commitments established as part of the strategy & business planning process and provide a Commercial report for consideration by the BBC Board.

- Determine appropriate dividends from time to time from BBCCHL for the BBC as shareholder.

- In addition, following the disposal of Television Centre on terms and conditions approved by the BBC Executive Board and the BBC Trust, the following
additional responsibilities have been reserved to the Board:

- Approve the activity of the Delivery Company (a discrete division of the Company charged with completing certain works in connection with the sale of Television Centre)
- Review the financial performance of the Delivery Company including any borrowings and decide on any corrective action or changes required in light of performance

5. **Accountabilities to the BBC Board**

5.1 The Board of Directors is accountable to the BBC Board for compliance obligations as set out in the Charter and Agreement relating to commercial subsidiaries.

6. **Further Approvals**

6.1 Further approval of matters considered by the BBCCHL Board of Directors as determined by the BBC Board.

7. **Committees**

7.1 The Board of Directors may delegate any of their powers to committees on duly passing a resolution formalizing such a permanent or temporary committee.

7.2 A Finance and General Purpose Committee comprising the Deputy Director General and at least one other director may be constituted to consider matters such as, but not limited to, credit management and dividend payments. This committee may be constituted on the passing of a resolution as prescribed in 7.1 above.

7.3 Other committees may be constituted by the Board from time-to-time.

7.4 The business of any committee shall be reported regularly to the Board. Any business considered by the Finance and General Purpose Committee, under 7.2 above, as these are likely to take place between Board meetings, shall be reported to the next BBCCH Board meeting for noting.

8. **Directors’ Duties**

8.1 In addition to their duties under contract with the Company, BBCCHL Directors have a range of legal duties, including the “fiduciary” duty towards the Company, fair dealing and the duty of care and skill. The Companies Act 2006 states the statutory duties of a director which include but are not limited to acting in accordance with the company’s constitution, acting in good faith to promote the success of the Company as a whole and exercising independent judgement. Further information is available from the company secretary.
9. **Board Procedure**

9.1 Generally, the Directors regulate their meetings as they think fit. The company secretary will facilitate any meeting that is required.

9.2 There are approximately seven planned meetings of the Board each year. Ad hoc meetings are arranged if urgent matters need consideration. Any director or the secretary may call a meeting of the Board.

9.3 Meetings of the Board may be conducted by telephone or video conference facilities.

9.4 Meetings of the Board are minuted by the company secretary. Minutes are circulated to each Director as soon as possible after each meeting, for approval at the following meeting.

*Effective from:* 21 November 2017

*Approved by the BBC Board on:* 21 November 2017