



Credit Information Governance Body

Board Constitution and Decision Making Policy

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How will the CIGB be governed and govern?

The CIGB must have the ability to perform its roles and be held accountable for them. Therefore, it is important that the CIGB has robust decision-making processes and a Board Constitution which:

- Account for all relevant inputs.
- Have scope for debate and discovery.
- Have appropriate safeguards that ensure fairness and efficiency.
- Can stand up to scrutiny from stakeholders.

To guide the process of developing the above governance features, broad principles that should serve as the guardrails for the CIGB were defined:

- Principle 1: The CIGB will be a not-for-profit entity.
- Principle 2: There should be no link between funding, including comparative funding contributions, to the CIGB and its governance.
- Principle 3: The CIGB will have representation of industry and independent individuals in its decision-making.
- Principle 4: Allowing for reasonable confidentiality wherever necessary, the CIGB's decision-making will be transparent in its operations.
- Principle 5: Recommendations by Advisory Councils will require mandatory consideration from the CIGB's Board.
- Principle 6: All decisions of the CIGB's Board will be taken with at least a majority vote of the CIGB's Board present and voting.
- Principle 7: The CIGB should have the power to pronounce and implement decisions against its subscribers for not complying with the CIGB's scheme rules and decisions.

CIGB Single Tier Membership Model

CIGB has been set up utilising a Single tier membership model. Details of how this decision was reached can be found in the IWG final report.

In a single tier membership model, the membership of a company exists only for the purpose of completing the Company Law requirements to set up a company. The Chairperson of the Board or the entire Board are the members of the company. To avoid the risk of leaving important positions in the hands of only one person, often, this model involves all Directors of the company being designated members.

A single tier model allows decisions to be taken quickly, without a general meeting, which brings time and financial costs. However, several caveats have been included to ensure accountability of decision-making:

- Transparent decision-making processes and accountability protocols should be set up for the Board.
- Most rights available to members under the Companies Act 2006 for holding the Board financially accountable should be secured for the industry through the subscription contracts. These rights are guaranteed as contractual obligations.

- The CIGB Board shall hold an Annual Forum where the industry stakeholders participating in the CIGB can engage and hold it accountable.
- The CIGB constitution provides mechanisms that require compulsory consultation with industry stakeholders on relevant topics.
- At the time of winding up of the CIGB, its subscribers should have the right, in proportion to the value of their last year's subscription contributions, to receive any unclaimed monetary reserves after CIGB's payment of all its liabilities.

CIGB's Board

A single-tier structure highlights the need for an accountable decision-making process at the CIGB Board. It also re-enforces the need to put in place a governance model that allows for interested stakeholders to engage in the decision-making process.

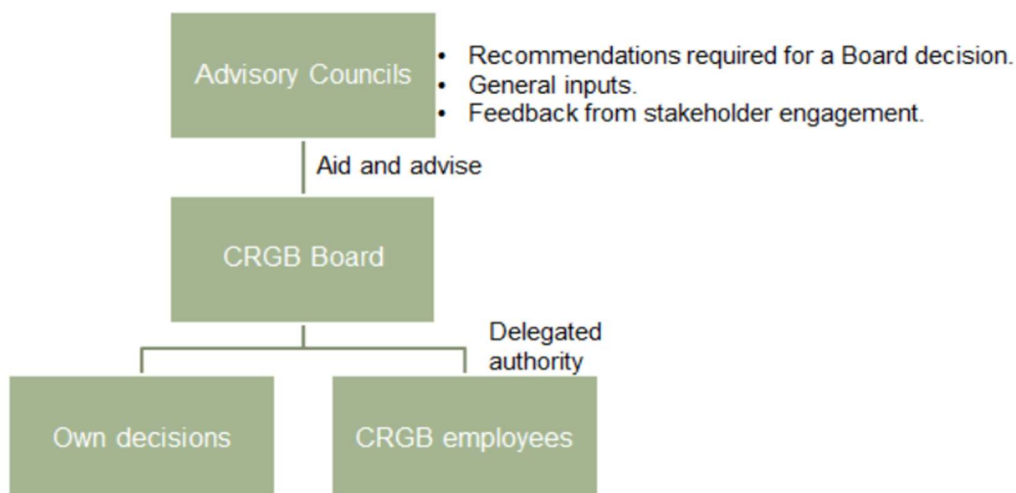
The governance model includes:

- Board of Directors in whom CIGB's ultimate decision-making authority is vested;
- Board Committees who exercise the Board's authority on specific subjects; and
- Advisory Councils who provide the Board with advice.

The combination of the three tiers of engagement ensures appropriate allocation of responsibilities and sufficient participation of stakeholders.

Whilst the CIGB Board will be the ultimate decision-making authority of the CIGB, day-to-day decisions will be delegated to the CIGB's employees, with specific delegations given to the General Manager. The staff will operate on the authority delegated by the CIGB Board and will report to the Board on its activities against prescribed performance metrics. The CIGB Board may choose to delegate decisions through a scheme (documented as a policy) which will be part of the CIGB's constitutional framework. This scheme should state the scope of authority and performance expectations of CIGB's employees.

CIGB's Governance Institutions



CIGB's Directors and Board

As the CLG will be single tier, the Board are the owners, members and guarantors of the CIGB. It is important to distinguish between Members and Subscribers to CIGB for this reason. The CIGB's Board is the entity ultimately responsible for its decision-making and accountable to all external stakeholders. As such, the Directors constituting this Board are key. The balance required regarding Director appointments revolve around two elements:

- The level of independence and industry representation on the CIGB's Board;
- The functions discharged by the CIGB's Board and those by bodies reporting to it.

After detailed consideration, which is articulated within the IWG Final Report, it was decided that the CIGB Board shall be composed of a mix of skillsets. Independent Directors were considered relevant to provide objectivity, and Nominee Directors were considered relevant to provide industry insights.

In order for CIGB to secure buy-in from a diverse set of stakeholders in the industry, it has been accepted that Independent Directors of the CIGB shall be in the majority. This will aid the CIGB's legitimacy and increase objectivity in its decisions. The Chairperson of the Board shall also be independent.

To ensure that industry views are adequately represented, it was agreed that Nominee Directors from the industry will not be the only source of industry insights and perspectives. Therefore, industry views will be presented to the Board via specialised Advisory Councils who have a role in decision-making at the CIGB Board.

In order to ensure that CIGB is run as a cost-efficient organisation, the staffing of the Directors must be kept lean. As a result, Nominee Directors will not receive any salary-related compensation from the CIGB for their appointment on the Board. Instead, the organisations nominating them shall cover their compensation. The CIGB will cover the

Director's expenses necessary in discharging their duties, (provided approved in advance), and provide the Director's insurance for their actions at the CIGB. To ensure cost optimisation, Independent Directors' compensation – which will be paid for by the CIGB – should be more reflective of a public sector Board rather than private Boards.

CIGB's Board principles

To guide the development of an appropriate solution, the following principles regarding the CIGB Board were established:

- The CIGB Board should be headed by an Independent Chairperson (Director).
- The Independent Directors (including the Chairperson) should be in the majority.
- The Board should be within the range of 5 to 13 Directors, reflecting standard practice.
- The total strength of the CIGB Board should be optimised to allow for cost-efficiencies.
- Except for Directors' insurance and reasonable expenses, the Nominee Directors on CIGB Board should not be paid by the CIGB.
- The CIGB Board should be aided and advised by inputs, recommendations, and feedback from specialist Advisory Councils.

Board cohorts

The CIGB has been set up to govern the credit information industry for consumers and all other stakeholders. Therefore, industry representation on the CIGB Board will be a representation of all these stakeholders. The stakeholders relevant to the CIGB in accordance with the type of businesses undertaken, their size and resources, their interests at the CIGB, and the role played by them in the credit information industry, was determined. The following categories were identified:

1. Consumers
2. CRAs whose principal business is the “provision of credit references”.
3. FSMA firms with the provision of consumer credit as their principal business.
4. FSMA firms providing credit information services.
5. Small and innovative players operating in the credit information industry.
6. FSMA firms, who are users of credit information, not covered in the above categories.
7. Non-FSMA firms, using credit information, operating in other sectors.

Through industry consultation, it was determined that all stakeholders should be represented in some way where possible and practicable. Consumers groups and small and innovative players expressed that they would have difficulty appointing Nominee Directors, both due to issues in effective representation of the cohort and lack of resources. As such their interests will be considered by the Independent Directors. The remaining categories’ interests are addressed by Nominated Directors.

It was agreed that at outset, there would be four Nominee Director positions and five Independent Director positions (including the Chair) to deliver a majority Independent Board.

Nominee Directors

It was determined that the CIGB’s Board should have the following Nominee Directors :

- 1 individual nominated by organisations which are designated by the FCA as designated CRAs.
- 1 individual nominated by FSMA organisations having their principal business as the provision of consumer credit or by a Trade Association chosen by them.
- 1 individual nominated by organisations as CISP or a non-designated CRA.
- 1 individual nominated by FSMA organisations and non-FSMA organisations who use and/or contribute to shared credit data but are not represented by the other Nominee Directors.

For the avoidance of doubt, the definition of a Designated CRA, in accordance with IWG Report 2, is defined as follows:

Firms whose principal business is the provision of credit references and which are designated by the FCA as Designated CRAs.

A Non-Designated CRA - Until such designation is granted, firms with a revenue of GBP 100 million or more whose principal business is the “provision of credit references” and which are authorised by the FCA to provide credit references. Challenger CRAs that do not qualify as Designated CRAs are represented within cohort four.

Due to the role undertaken by the designated CRA they were deemed to justify a full Board seat. The non-designated CRA utilisation of the shared data is more akin to the CISPs than to the designated CRAs, therefore this is a shared seat which can be occupied by either a CISP or a non-designated CRA.

It is acknowledged that across all cohorts, there was a strong view that one seat per cohort would not be equitable due to the different interests, types of businesses, preferences, and nature of operations within each cohort. It is clarified that a Director on CIGB's Board is an officer of CIGB and not a representative of the organisation to which they belong. As a result, despite being nominated from different organisations, these Directors must ensure they represent the interests of the stakeholder cohort (and not their organisation) in the best interests of the CIGB.

Directors should have the responsibility to evidence the reasoning for their decisions to the cohorts that have nominated them or the skillsets they are expected to represent. This responsibility is now enshrined clearly in this policy in the section Directors' role responsibilities and duties.

Independent Directors

It has been determined that two of the CIGB's Independent Directors should be selected with the skillset and expertise of having worked in areas of consumer interest in order to ensure adherence and delivery of the Consumer Interest objective. However, the CIGB should strive for diversity of consumer-facing skillsets (competition, consumer protection, and consumer welfare work) in selecting these two Independent Directors. Additionally, as small and innovative players may struggle to provide representation, they will benefit from an Independent Director having experience of their sector. This is in addition to their firm cohorts being represented by Nominated Directors. This ensures CIGB has broad visibility.

CIGB must have one Independent Director with expertise in finance, accounts and audit/ financial monitoring.

The CIGB Board should be chaired by an Independent Director Chairperson who will be responsible for a number of functions to ensure the Board is effective. Accordingly, the five Independent Directors for the CIGB at set up are:

- 1 x Independent Chairperson of the CIGB Board.
- 2 x Independent Directors with skillset and expertise in consumer-rights related work.
- 1 x Independent Director with skillset and expertise related to small and innovative sectors of the industry.
- 1 x Expert in audit, accounts, and financial monitoring (e.g., a CPA).

While the above are the necessary criteria for the selection of Independent Directors, wherever possible, the IWG recommended that the CIGB should also give consideration to these candidates' experience in the financial services industry during their selection.

CIGB's Board composition

	Minimum	Recommended at set-up	Maximum
Chairperson (Independent)	1	1	1
Independent Directors	3	4	5
Nominee Directors	2	4	4
Executive Directors	0	0	1
Total	6	9	11

To define the maximum number of Directors it was assessed that there might be a need at some point in the future to appoint the highest executive of the CIGB as an Executive Director. Further, there might also be a need to have a legal expert on the Board. This legal expert would be appointed as an Independent Director.

The CIGB Board, at set-up is to be composed of a total of nine Directors, four Nominees, four Independent and an Independent Chair
CIGB Board composition shall be reviewed 4 years after the establishment of the first full CIGB Board. This review will be based on the performance of the Board, its ability to represent the cohorts and maintain the representation principles as laid out in this policy. This assessment should also evaluate that the Board remains effective and aligned with the CIGB's evolving needs.

Recognising the need for proportionality between Nominated and Independent Directors, it was agreed that the minimum number of Directors would be six. The maximum, which will be included in the CIGB's constitution, will be 11 Directors, allowing for the potential future inclusion of an Executive Director and another Independent Director.

Under the Companies Act 2006, all Directors, irrespective of their type, are legally required to act in the best interests of the company. A robust conflict of interest policy for the CIGB to ensure all Directors of the CIGB act in the best interests of the CIGB, irrespective of their skillset or affiliations has been implemented in tandem with this policy.

Directors' role responsibilities and duties

A Director is an officer of the company and is expected to also comply with certain rules and discharge certain responsibilities. The responsibilities, expected qualifications, and the potential liabilities have been considered and are outlined below.

Role responsibilities

The CIGB Director role responsibilities were decided after analysing the Companies Act 2006, obtaining advice from Mills and Reeve and reviewing the responsibilities of Board Director's within comparable organisations to the CIGB. These responsibilities are:

- Comply with the Companies Act 2006 duties of a Director, namely:

I.act within powers in accordance with the CIGB constitution and to use those powers only for the purposes for which they were conferred

II.promote the success of the CIGB for the benefit of its subscribers

III.exercise independent judgement

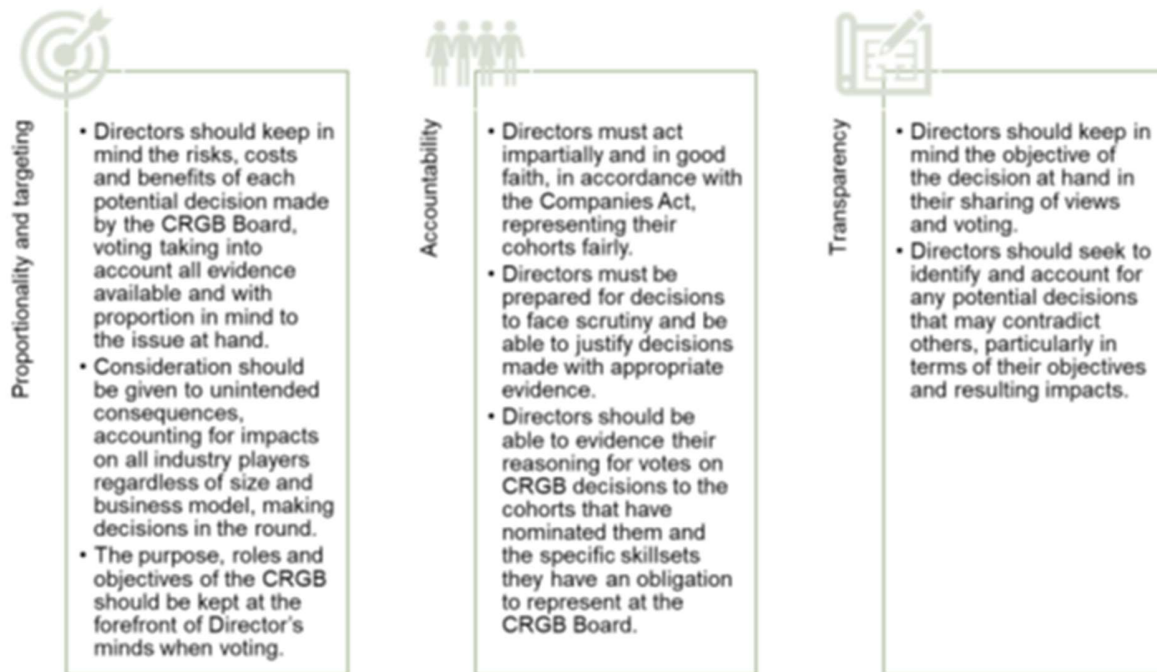
IV.exercise reasonable care, skill and diligence

V.comply with the CIGB's conflicts of interest policy

- Contribute to the development of strategy, workplan, and setting goals for the CIGB.
- Scrutinise the performance of the CIGB in achieving its strategy and goals.
- Overseeing the delivery of the work program.
- Hold the General Manager and the executive team of the CIGB to account and provide appropriate challenge.
- Ensure that the powers and responsibilities specifically reserved to the Board and Directors under the CIGB constitution are exercised appropriately.
- Maintaining an effective relationship with CIGB Advisory Councils and CIGB subscribers as per the CIGB protocols on governance.
- Abiding by the corporate governance norms expected from a company Director under law and act in the best interests of the company.
- Ensure appropriate assessment and management of CIGB risks.
- Debate and take specific decisions required to be taken by the CIGB Board.
- Maintain a sound system of financial control.
- Apply a constructive style in scrutinising and challenging management recommendations at Board level, respecting the boundary between non-executive and executive responsibility.
- Apply relevant knowledge and expertise to the CIGB's debates and decision making.
- Assist in maintaining positive working relationships with the CIGB's key senior stakeholders.

In addition to these responsibilities, a set of principles were determined to guide the CIGB's Directors in their enacting of the Board decision-making process to ensure impartiality and robustness in utilising their voting powers. Three key themes were identified: 1) proportionality and targeting 2) accountability and 3) transparency. These principles shall be kept under review by the CIGB Board and adapted as needed.

Principles to guide CIGB Director's in decision-making



Role qualifications and expectations

It was also important to determine the experience and qualifications needed for a Director of the CIGB to perform their responsibilities appropriately. In doing so, the roles recommended for the CIGB were accounted for to ensure the Board Director's would be equipped to deliver against these.

Consideration was given to the working days each Director would be employed for, and it was agreed that, given the CIGB Chair's responsibilities, that they would need to be employed for the greatest number of days. Likewise, given the concerns around time and resourcing shared by consumer groups, it was agreed, to ensure appropriate representation and capabilities, each Independent Director with consumer experience would be employed for a greater number of days than the other Independent and Nominee Directors. Similarly, industry representatives expressed a desire for shorter terms for Nominee Directors to enable a greater rotation of subscribers the chance to sit on the Board.

Qualifications and expectations of CIGB Chair

Independent chairperson of the CRGB Board	
Qualifications	<p>Demonstrable experience of discharging the role responsibilities.</p> <p>Experience in directly managing a group of diverse stakeholders as part of corporate governance.</p> <p>Demonstrable experience with UK's financial or data protection related regulatory landscape.</p> <p>Experience as a chairperson of an organisations.</p> <p>Experience of performance managing managers.</p> <p>Experience in rule-based dispute resolution.</p>
Expectations	<p>Minimum term duration of 3 years with a possibility of renewal for second term.</p> <p>Approximately 60 working days in a year to include:</p> <ul style="list-style-type: none"> • Chairing and attending Board Meetings (approx.. 5-6 in a year). • Membership in one Board Committee. • Monitoring and applying the CRGB rules and protocols for effective governance of the Board and Advisory Councils. • Supervising and performance managing a reporting executive.

Qualifications and expectations of Independent Director (accounts)

Independent Director (Accounts)	
Qualifications	<p>Demonstrable experience of discharging the role responsibilities.</p> <p>Demonstrable experience in guiding risk and assurances activities and internal and external audits.</p> <p>Demonstrable experience in assessment of financial integrity and accounting processes.</p> <p>Experience as a member of the audit committee of a Board.</p> <p>Experience in rule-based dispute resolution.</p>
Expectations	<p>Minimum term duration of 3 years with a possibility of renewal for another term.</p> <p>Approximately 30 working days in a year to include:</p> <ul style="list-style-type: none"> • Attending Board Meetings (approx.. 5-6 in a year). • Financial risk assessment and overseeing subscribers' rule compliance as a member of a Board Committee.

Qualifications and expectations of Independent Director (consumer experience)

Independent Director (Consumer Rights Experience)	
Qualifications	<p>Demonstrable experience of discharging the role responsibilities.</p> <p>Experience as a representative of consumer interests.</p> <p>Experience of work relating to the consumer credit industry.</p> <p>Experience of representing a cross-section of consumer stakeholders.</p> <p>Demonstrable skills in accounting for diversity, equality, and inclusion in stakeholder engagement.</p>
Expectations	<p>Minimum term duration of 3 years with a possibility of renewal for another term.</p> <p>Approximately 45 working days in a year to include:</p> <ul style="list-style-type: none"> • Attending Board Meetings (approx.. 5-6 in a year). • Attending one Board Committee. • Co-chairing Consumer Advisory Council (approx.. 6-8 meetings in a year). • Monitoring and applying the CRGB rules and protocols for effective governance of the Consumer Advisory Councils.

Qualifications and expectations of Independent Director (small and innovative players experience)

Independent Director (small and innovative players)	
Qualifications	<p>Demonstrable experience of discharging the role responsibilities.</p> <p>Demonstrable skills as a representative of small and innovative players.</p> <p>Experience of work in the consumer credit industry.</p> <p>Demonstrable skills in stakeholder engagement.</p> <p>Experience in accounting for diversity, equality, and inclusion in work product.</p>
Expectations	<p>Minimum term duration of 3 years with a possibility of renewal for another term.</p> <p>Approximately 30 working days in a year to include</p> <ul style="list-style-type: none"> • Attending Board Meetings (approx.. 5-6 in a year). • Attending one Board Committee.

Qualifications and expectations of Nominee Directors

Nominee Directors (any cohort)	
Qualifications	<p>Demonstrable experience of discharging the role responsibilities.</p> <p>Affiliated to an organisation belonging to the relevant cohort or affiliated to an organisation having received the support of the cohort to act as their representative.</p> <p>Experience of work in the consumer credit industry.</p> <p>Demonstrable skills in stakeholder engagement.</p>
Expectations	<p>Minimum term duration of 2 years</p> <p>Approximately 30 working days in a year to include</p> <ul style="list-style-type: none"> • Attending Board Meetings (approx.. 5-6 in a year). • Attending one Board Committee.

Director liabilities

A Director is an officer of the company. Due to this position, legislation and rules impose a number of obligations and penalties on the Directors for the actions of the company. These include challenges under the Companies Act 2006 by disgruntled members or stakeholders, and specific actions under a number of other legislations:

- In the case of companies in financial difficulty, the Insolvency Act 1986 expects Directors to cooperate with the officeholder of the insolvent company. Similarly, in such circumstances, the duty to act for the benefit of its members is changed to a duty to act in the best interests of its creditors.
- The Health and Safety at Work Act 1974 imposes a duty of care on the Directors towards the health and safety of the company's employees. If found in violation of the Act, the Directors of a company may be prosecuted and held liable for an offence committed by the company against an employee if it can be attributed to a Director's consent or neglect.
- The Corporate Manslaughter and Corporate Homicide Act 2007 extends liability on the Directors for a breach in a company's duty of care towards their employees or any member of the public. Under this legislation, a Director may be prosecuted for neglect in discharging the company's duty of care, which results in death.
- The Company Directors' Disqualification Act 1986 prescribes a number of duties – the failure of which – could be a ground for disqualification of a Director from its position.
- A Director can be held personally liable if the company fails to carry out its statutory duties or for any losses which are proven to be the result of Board decisions, or a failure to act properly. Most duties expected by a Director have been codified into the above statutes, common law still informs the Directors' conduct and may be applicable where the statutory duties are not explicit. External legal counsel confirmed the above risks and potential liabilities for the Directors of the CIGB.

For the above reasons, it is essential that the CIGB puts in place protection for its Directors as these risks can hamper the effective functioning of a Director in their role. Accordingly, CIGB has put in place a Directors Liability Insurance for all of its Directors.

Board Committees

Not all activities of the Board require the full Board to convene. A sub-set of the Directors can advance work on certain subjects and have the authority of the Board to take actions on those subjects. These sub-sets of Directors, formed to perform particular functions, are called Board Committees. There are generally two kinds of Board Committees:

- Standing Committees: These are permanent Committees functioning as subsidiaries of the Board drawing their power from delegation of authority of the company's Board.
- Special Committees: These are Committees set up for limited periods to perform special functions expected to be performed by the company's Board.

The powers of the Board Committees are devolved from the Board and the Committees remain accountable to the Board.

There are three Standing Board Committees that were established at the inception of the CIGB:

Audit and Risk Committee

This Committee will have the Board's authority to oversight the management of risks and look after financial reporting matters including the CIGBs relationship with its auditors. Its key responsibilities include:

- a). to ensure that management has maintained a sound system of internal controls and prepared complete and reliable financial statements and disclosures in accordance with the approved accounting standards.
- b). to manage the relationship with audit firms to ensure that CIGB has a fair choice of suitable auditors at the next tender.
- c). to provide oversight of an effective global risk management framework reasonably designed to identify, assess, and manage CIGB strategic, credit and reputation, market, and operational risks.
- d). to review and approve the internal audit function's role and mandate; approve the annual audit plan; and monitor and review the effectiveness of its work.
- e). to maintain oversight over the CIGB financial systems and employees responsible for managing finances, including setting appropriate policies in this regard.
- f). When prescribed in the oversight policy of the CIGB, to consider at the first instance non-compliance by subscribers of the CIGB scheme rules.

Nomination Committee

This Committee will have the Board's authority to seek out potential candidates to fill senior management positions and Board membership roles. Its key responsibilities include:

- a). To review candidates' qualifications and performance to ensure they match CIGB's requirements.
- b). Inviting all applications for Independent and Nominated Directors . Among those shortlisted, the selection shall also be made by this Committee.
- c). Attracting and securing the best talent for the CIGB's Board.

People & Remuneration Committee

This Committee will have the Board's authority to set the people policies and oversight their implementation. Its key responsibilities include:

- a). Leadership and management capabilities, working with the Nomination Committee as needed, to support appointments, development of leaders, succession planning, and monitoring of managers balance business scorecards.
- b). Training Board members, employees, and Advisory Council members on the CIGB governance rules and protocols wherever required.
- c). Evaluation and reward of board and employees, including the remuneration policy, application of rewards, establishing key performance indicators and performance management framework.
- d). Talent management including attraction and retention strategy, skills and knowledge development strategy, wellbeing and diversity and inclusion plans.
- e). Culture and value definition and monitoring ensuring compliance with the appropriate code of conduct and ethics programs. Oversight of actions taken to encourage speak up and tracking of key metrics such as disciplinary, grievance and whistleblowing.

These Committees should be composed of Directors based on their existing skillsets. Therefore, the composition criteria for these committees is not be prescribed. However, some guardrails for the CIGB Board to consider in constituting these committees is recommended:

- Each Director should recuse itself from decisions at a Committee that could have a bearing on their own role at the CIGB. For instance, if the Nominations Committee is considering renewal of an existing Director's term, that Director should not be a part of the Committee.
- The Audit and Risk Committee should be chaired by the Independent Director skilled in accountancy, audits, and financial risk assessments.
- The Nominations Committee should have rotations to ensure Nominee Directors' terms, selection criteria, and selection process is led by Independent Directors, and vice versa.
- In line with general good corporate governance standards, the Board should regularly review the performance of the Board Committees.
- No topics which would require specialist Board Committees to be set up were identified. However, it should be set out in the constitution of the CIGB that the CIGB Board may come up with these as per its requirements.

Initial Nominations Committee

After due consultation it was decided that the CIGB's first set of Directors will be selected by an 'Initial Nominations Committee'. This Initial Nominations Committee will have the power to contract an executive search firm, invite applications for the positions, interview candidates, and confirm their appointment for the CIGB.

The Initial Nominations Committee needs to be independent and free from any conflict. FCA representation is proposed as their findings drove the CIGB mandate. The IWG Independent Chair provides continuity and the business content to validate experience, while the independent person provides full neutrality.

The Initial Nominations Committee will vary according to the candidate being selected, as follows:

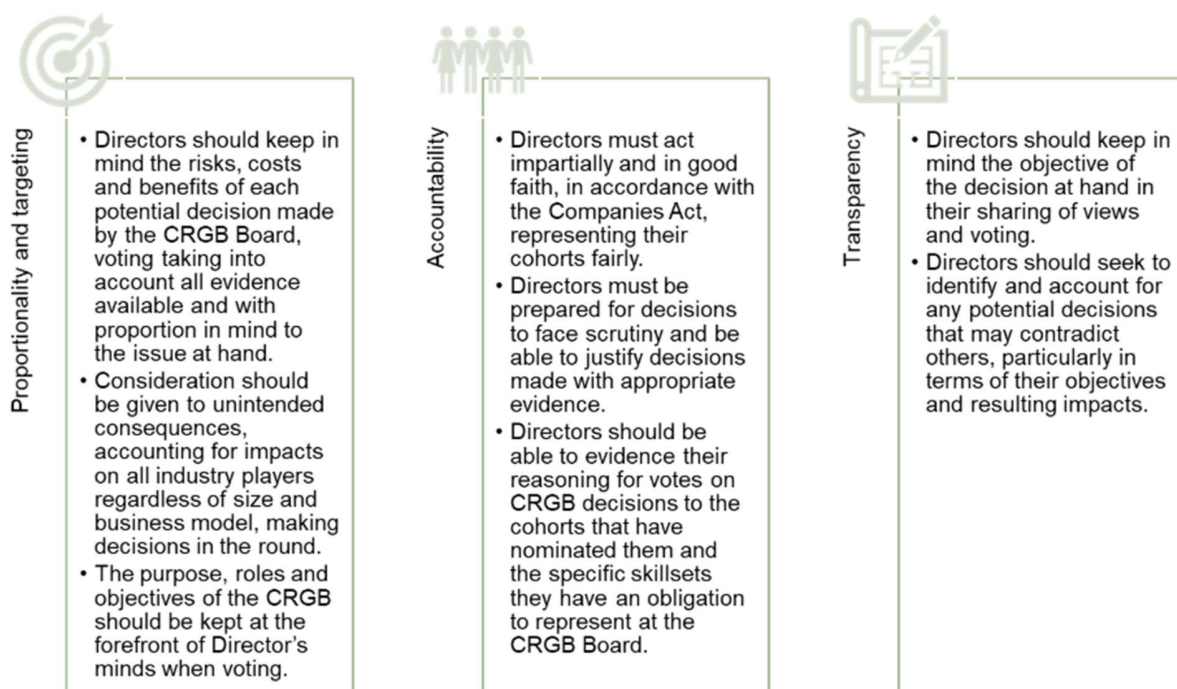
CRGB role to be filled	Composition of Initial Nominations Committee
Independent Chair	A representative from the FCA The Independent Chair of the IWG An independent person
Independent Directors	A representative from the FCA The Independent Chair of the CRGB (once appointed) An independent person
Nominee Directors	The Independent Chair of the CRGB 2 Independent Directors (once appointed)

Board decision-making

It is important that the CIGB Board can make decisions in the best interests of its stakeholders and that the CIGB Board can be held to account for these decisions. A thorough decision-making process has been designed, including various safeguards to ensure the CIGB's decisions do not have unexpected adverse effects on firms or the industry.

Decision-making procedure

The CIGB Board will be required to make decisions on and be held to account for decisions, both internal and external, to the CIGB. Examples of external decisions would be the implementation methods of the CIMS industry-led remedies and changes to the scheme rules. Internal decisions within the CIGB would include changes to subscription fees. The CIGB needs decision-making processes which allow these decisions to be made as effectively and efficiently as possible and for which the Board can be held to account. As a general caveat, the CIGB Board will be required to take fair, proportionate, and reasonable decisions for the industry with a requirement to identify and minimise costs in the context of decision making.



Not all decisions will carry equal weight in terms of their impacts on industry or the operation of the CIGB itself. As such, two decision processes have been determined:

Ordinary procedure

Requires more than 50% (simple majority) of the CIGB's Board Directors to vote in favour of the decision

Special procedure

Requires 75% of the Board to vote in favour of the decision for it to pass. These decisions may also require an initial supporting recommendation from an Advisory Council. This is outlined in the table below.

The CIGB chair will determine whether the decision needs to follow the ordinary or special procedure. A simple majority of the CIGB Board can challenge this assessment and seek reclassification of a resolution. The subject-matters requiring special procedure decisions is not exhaustive and can be added to by the CIGB Board. Decisions not specified in the table below will follow Ordinary Procedure

No.	Subject matter	Requires Advisory Council recommendation?
a.	Implementing the CIMS industry-led remedies	Yes, from Remedies Council
b.	Major amendments to the scheme rules	Yes, from Rules and Standards Council
c.	Revising the consumer objective	Yes, from Consumer Council
d.	Revising the purpose and other objectives of the CRGB	No
e.	Decisions on changing CRGB's membership	No
f.	Revising material powers of the CRGB, such as oversight	No
g.	Decisions on changing the role, purpose and powers of Advisory Councils	No
h.	Decisions changing fundamental governance safeguards such as quorum	No
i.	Fundamentally revisiting the proportional contribution of an entity re CRGB's budget	No (But, as detailed in Chapter 22.4, it requires mandatory industry consultation in certain cases)
j.	Decisions on changing the min and max number of Directors	No
k.	Any decisions not described above that could require material investments by a subscriber cohort.	No

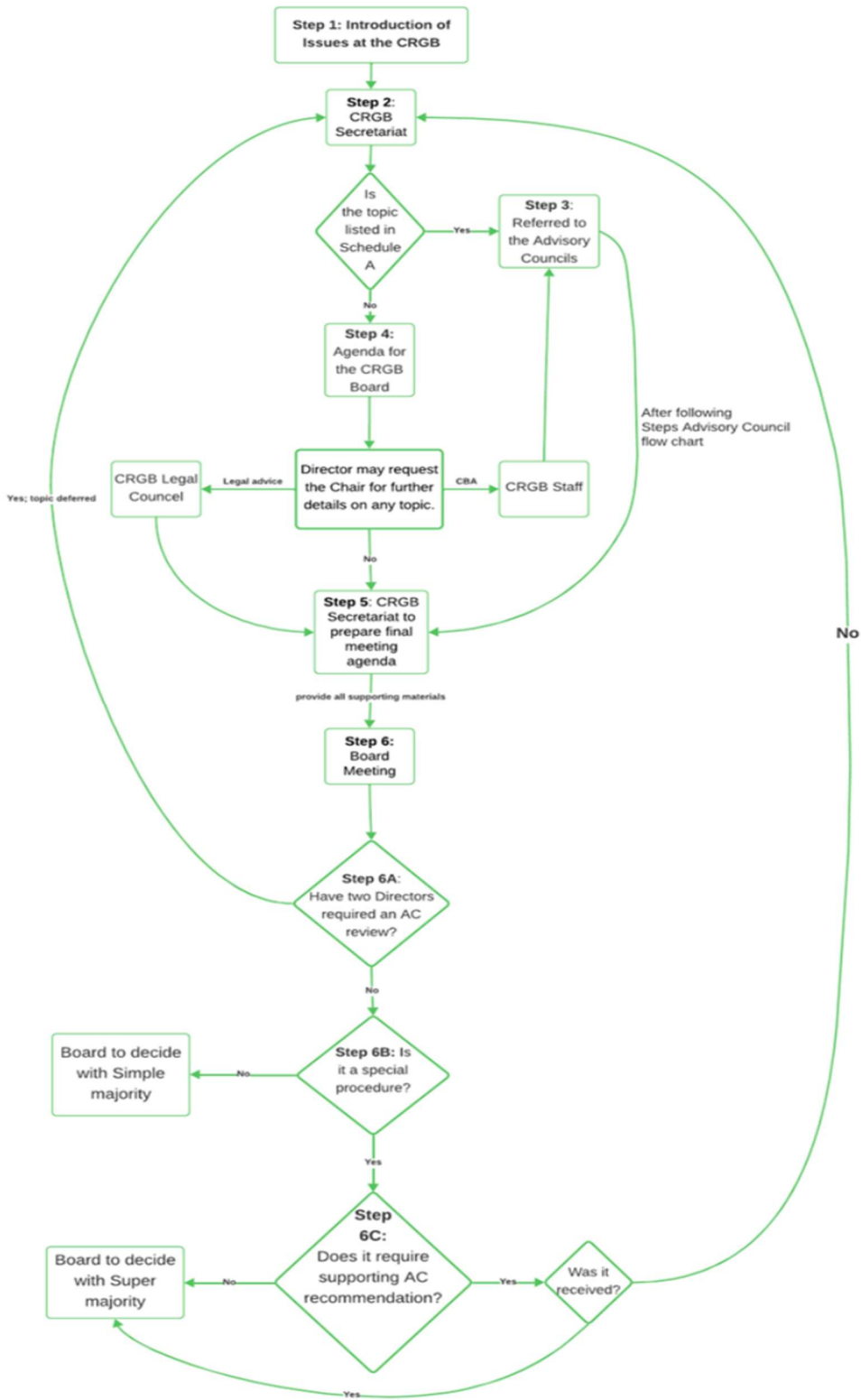
Decisions requiring the CIGB's special procedure process are decisions that impact the constitutional aspects of the CIGB's operations. This will include approval of decisions relating to the CIMS industry-led remedies and major amendments to the scheme rules, that because of the potential impact these decisions could have across the industry.

To ensure that the CIGB relies on robust evidence, some decisions will also require cost-benefit analysis (CBA) to be undertaken. A CBA provides a structured way to assess what costs and benefits a policy is expected to generate. In the case of the CIGB, a CBA would attempt to describe and quantify, where possible, the likely impacts of a decision. This should include assessing impact on firms (of different sizes and types, both across and within CIGB cohorts) in the industry, consumers, market competition, the CIGB, and the relative benefits delivered from them from a CIGB decision. All decisions regarding CIMS industry-led remedies will require a CBA. Likewise, any decisions expected to generate a material impact, for example financially, could require a CBA to determine this impact.

Once a decision is approved by the CIGB's Board, either following the ordinary or special procedure process, the CIGB is then bound by this decision. The CIGB Advisory Councils will be integral to the Board receiving feedback on its decisions. The Advisory Councils will engage with industry regularly, gather insights and assess if desired outcomes are being achieved or not. This exercise will allow the Board to continuously improve its policies and adapt its decisions based on feedback.

Flow of Board decision-making

The detailed process by which the CIGB Board will make decisions, including its interactions with Advisory Councils, is outlined below.



Decision-making safeguards

Alongside the thresholds set out by the ordinary and special procedure processes, it was considered important that further safeguards be put in place to ensure the CIGB's decisions do not have unexpected adverse impacts on the operation of the credit information industry or its stakeholders.

These safeguards can be classified into

1. representation safeguards;
2. substance safeguards,
3. safeguards to avoid prejudice to a minority
4. answerability safeguards.

While the first three safeguards occur before decisions have been made by the CIGB Board, the fourth (answerability) safeguard takes place once a decision has been made.

CIGB's decision-making safeguards



Representation safeguards

It is important to ensure that the representation by the Directors involved in decision-making is protected and is not prejudiced. CIGB Board decision-making process require:

1. Full adherence to a the conflict-of-interest policy
2. Quorum of the Board.

Conflicts-of-interest (CoI) policy requires the maintenance of a register of interests. It guides the CIGB's Chair on a decision on the Director's participation at a Board meeting relating to any of the Director's conflicted interests.

If the Chair determines the Director cannot participate in meetings relating to their conflicted interest, an alternate Director from the same cohort can instead attend, to ensure the cohort is still adequately represented at Board level.

A 'quorum' is the minimum number of Directors that need to be present at a Board meeting to allow the Board to make decisions that can bind the company. To keep a majority Independent Board, CIGB's quorum should consist of:

- A Minimum of 5 Directors
- 3 x Independent

- 2 x Nominated

Decisions can only be taken by the CIGB Board if this quorum is met. Whether the quorum has been met will be assessed both by the CIGB secretariat prior to the meeting and by the CIGB's Chair within the meeting.

If the quorum is not met, the CIGB's Chair will postpone any voting on the particular issue but may still hold the meeting to discuss it. This quorum should be used for both ordinary and special procedure decisions.

All Directors are expected to attend all CIGB Board meetings per standard practice, and their attendance record will be published in the annual report. Frequent or deliberate absences will be considered by the CIGB as a breach of the Director's responsibilities. Further, the Nominee Directors have the option of seeking an alternate to be present at a Board meeting in exceptional scenarios or in conflict-of-interest circumstances. Therefore, the quorum will not exclude stakeholders from decision-making. Independent Directors, along with the Chair of the Board, must constitute a majority of the CIGB Board to meet quorum. If more than five Directors are attending the CIGB Board, three Independent Directors (including the Chair) shall be considered sufficient to have met this condition and the Board shall be considered quorate.

The quorum will be amended if there is change to the composition of the CIGB Board.

Substance safeguards

These are the safeguards that will ensure that the decisions presented to the CIGB Board have accounted for relevant perspectives and evidence. The CIGB's decision-making should be safeguarded with protections that allow for:

- Obtaining legal advice and/or CBA
- Referral to a relevant Advisory Council.

Legal advice / CBA

To ensure the decisions to be made by the CIGB Board have been subject to appropriate analysis and evidence gathering, the CIGB Directors can request the Chair to obtain a CBA and/or seek legal advice on any agenda item. This is in addition to other analysis already undertaken by CIGB staff or Advisory Councils (for example, all decisions regarding the CIMS industry-led remedies will require a CBA to be undertaken before the decision is made). If the Chair rejects the request, it must communicate its ruling with reasons to the Board at the start of each relevant Board Meeting.

Refer to Advisory Council

The CIGB's Advisory Councils have been put in place as an integral source of industry insights, expertise, and stakeholder views for the CIGB Board. CIGB Directors should have the power to engage the relevant Advisory Councils and leverage their expertise on any decision to be taken by them.

It is noted that constantly seeking such inputs may be counter-productive to efficiency and could be utilised to delay decision-making. Therefore, at a Board meeting, any two Directors can request that a

decision be delayed until the relevant Advisory Council has provided inputs on the subject. However, this can only be utilised if the subject has not already been discussed by the relevant Advisory Council. The Chair will exercise discretion in relation to seeking legal advice/CBA and Advisory Council referral. This includes lack of merit, avoiding duplicity, and efficient use of CIGB resources. As a failsafe, a simple majority of the CIGB Board can overrule the Chair's rejection of a request to exercise any of the above safeguards.

Each Director exercising these safeguards should have sight of the burden of these safeguards on CIGB's resources and effective decision-making, and accordingly, act in the best interests of the CIGB. The CIGB Board should also keep under review the staff resources available for these purposes and make appropriate additions wherever required.

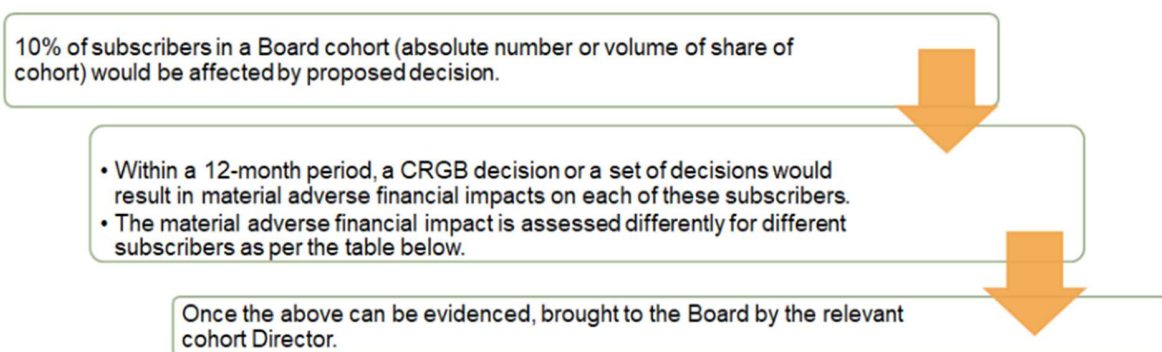
The minority safety net

The minority safety net can only be exercised prior to the CIGB Board taking a vote on a decision. An appeals process has been defined for once a vote has taken place. The minority safety net can only be used to delay a decision in order for an alternative proposal to be considered, it is not a veto. For decisions on the CIMS industry-led remedies, the minority safety net can only be used on the implementation approach agreed by the CIGB and not the fact of the remedy itself or the fact of its enactment.

The minority safety net cannot be invoked when the CIGB is taking the following decisions:

1. Appointment or removal of any CIGB personnel, Board Director, company secretary, auditor or banker.
2. Any corporate governance matters.
3. Rule or contract disputes between subscribers themselves, and subscribers and the CIGB.
4. The approval of any training or accreditation scheme.
5. Any contract or arrangement between the CIGB and a third party, which does not have a detrimental impact on financial contributions to the CIGB by its subscribers and members.

The following evidence will be needed to trigger the use of the safety net:



Safety net criteria

Material adverse impact	Cohort A	Cohort B	Cohort C	Cohort D
More than £1m	Any firm in these cohorts at any tier can trigger			
More than £0.5m	Only tier 2 subscribers can trigger	Only tier 3, 4 and 5 subscribers can trigger	Any firm in this cohort can trigger	Only tier 2 subscribers can trigger
More than £0.25m but less than £0.5m	Cannot trigger	Only tier 5 subscribers can trigger	Only tier 2 subscribers can trigger	Cannot trigger

There were still some concerns that effective use of the safety net might prove to be a struggle due to the need to prove impact on 10% of the relevant cohort or if the £0.25 million threshold is still high for some firms. Therefore, it is accepted that if these thresholds cannot be met, but the use of the safety net is still sought by a subscriber(s), their case will be presented to the CIGB Board for further consideration. In such cases, the Board may also consider qualitative evidence.

For consumer groups, the Independent Director with experience of consumer rights/issues can trigger the use of the safety net if they can confirm the proposed decision will lead to significant consumer detriment in terms of price, quality, range, services, or consumer rights.

Following a valid triggering of the safety net, the proposed decision before the CIGB Board will be paused. The subscribers who triggered the safety net will then be required to offer an alternative proposal for consideration within a reasonable timeframe, as determined by the Board. An alternate solution will be subject to the CIGB decision-making process.

Answerability safeguards

An appeal must be raised within 30 working days of a decision being published by the CIGB. The appeal can be raised by an individual firm or a cohort(s).

The appeal process for the CIGB is as follows:

1. An appeals form (available on the CIGB website) will be completed by the subscriber/consumer group detailing the decision they are concerned with and why, including any initial evidence the stakeholder wishes to put forward at this early stage.
2. The secretariat reviews the appeal and must evaluate its merits within 30 working days from receipt, if no grounds for appeal are found the secretariat must respond in writing to the appellants setting out their reasoning.
3. These grounds will vary on a case-by-case basis and the secretariat will engage with CIGB's legal advisors as well as other parties as appropriate (such as regulators) to determine and evaluate these, but grounds may include, for example:

a) A stakeholder has identified a mistake in CIGB's analysis which underpins the decision or otherwise questions the strength of CIGB's analytical techniques.

b) A stakeholder believes CIGB has failed to appropriately account for/incorporate relevant evidence in its analysis or has unduly disregarded evidence.

c) A stakeholder has identified an implementation option in relation to a decision for which CIGB has not considered.

4. While the appeal is being evaluated, all progress on the CIGB decision will be halted and this will be communicated to all CIGB subscribers and participants. For example, work will pause on implementing a CIMS remedy if an appeal is received. In cases where the CIGB receives an appeal related to a CIMS industry-led remedy, the FCA will be notified, allowing for confidentiality considerations.

5. If grounds for appeal are found, the Board must review their decision. This will include revisiting analysis/evidence utilised in coming to the decision, discussing with Advisory Councils to assess if evidence can be supplemented and may involve further stakeholder consultation. Alternative implementation approaches to the decision may also be re-evaluated. The appellant will have the right of representation to raise their own evidence to the Board.

6. Upon further evaluation, the Board will re-vote on the decision. The results of this process would be shared with the appellant within 90 working days (information relating to these appeals and decisions may be published by the CIGB, having regard for confidentiality and sensitivity).

7. Depending on the result of this vote and the topic at hand, the decision or policy process may be restarted, potentially involving rescoping solutions and involving Advisory Councils.

8. If the appellant is not satisfied with the outcome, they may contact their relevant regulator as they see fit to seek to influence CIGB and/or seek recourse through the jurisdictional courts.

9.

The appeals process cannot be used to prevent a CIMS remedy from being adopted, it can only be used in regard to the implementation approach to remedies. Where an appeal is received with regards to the implementation of a CIMS industry-led remedy, it is recommended that this is shared with the FCA, allowing for confidentiality considerations. The FCA must be consulted should the CIGB feels it is not appropriate to adopt a CIMS remedy in its entirety.

The CIGB can also ensure that it follows a transparent protocol around putting the decision-making process into practice. Schedules of all Board meetings will be published in advance, subject to quarterly review, accounting for Directors' availability.

Emergency Board meetings can be scheduled outside the published annual Board meetings in exceptional circumstances and with the approval of the Chair.

The upkeep of CIGB's action log shall be carried out by the secretariat, distilled into Board agendas and circulated in advance. Actions can be standing, reflecting the CIGB's annual project plan and/or be added to by Directors or Advisory Councils as needed. Actions will be supported by appropriate documentation where needed, for example including CBAs, legal advice, evaluations produced by CIGB staff and/or inputs from Advisory Councils. Actions will be classified into ordinary vs special procedure decisions.

There shall be clear instructions for the tabling of decisions for voting, both at Board meetings and via email/in writing.

Advisory Councils

To increase stakeholder participation and gain industry wide perspectives, specialist Advisory Councils will be established as part of the CIGB governance. They will play an important role in decision-making within the CIGB, providing advice and expertise to the Board.

CIGB's Advisory Councils

As part of robust governance, CIGB has three subject-oriented Councils instead of a permanent Advisory Board. CIGB already has industry representation on its Board, which typically serves the purpose of an Advisory Board, and the credit information industry is diverse, requiring different experts for various projects. Therefore, subject-oriented Councils provide more flexibility rather than a fixed panel of advisors.

The three Advisory Councils are

- Consumer
- Remedies
- Rules and Standards

Consumer Council

The Consumer Council is exclusively for consumer representatives. Industry participation will only be at the explicit request of the Consumer Council members where technical expertise is sought. This is to ensure that consumer groups could converse openly without industry influence. Equally, it was important to ensure the Consumer Council maintains ultimate responsibility for holding the CIGB to account for delivering against its consumer objective, as such voting on changes to the consumer objective will be the exclusive right of the Consumer Council. No organisations undertaking a 'for-profit' business or representing the interests of 'for-profit' businesses can be appointed as members of the Consumer Council.

Likewise, the difficulty faced by consumer groups in dedicating time and resources to existing industry working groups was accounted for by guaranteeing that the Consumer Council Chairs, who are the Independent Directors, are not only paid for by the CIGB but that these Chairs must attend and vote at the other two CIGB's Councils as part of their roles. Other members of the Consumer Council are also welcome to attend at other Councils should they be positioned to do so. This ensures the consumer voice forms part of the foundations of all CIGB Advisory Councils. Similarly, the Consumer Council will receive information on all CIGB Board agenda items and can express their views on all subjects.

Council	Purpose	Functions
Consumer Council	<p>It brings together members representing different consumer cohorts to ensure that the CRGB understands different consumer issues.</p> <p>It will also hold the CRGB accountable by reviewing the impact of CRGB actions in terms of consumer interest.</p>	<p>Aid the CRGB in meeting its consumer objective by:</p> <ul style="list-style-type: none"> • Preserving the consumer objective and having an equal say as the CRGB Board in decisions that seek to amend the consumer objective • Aiding the CRGB's Cost-Benefit Analysis (wherever sought) by presenting consumer impact analysis. • Supporting the Nom-Com in selecting the Independent Directors required to have consumer experience. • Informing the views of the consumer cohort on various recommendations being debated in the Remedies Council and Rules and Standards Council and directing the votes of the Consumer cohort on these councils. • Informing the views of the Independent Directors co-chairing the Consumer Council on exercising their powers at the CRGB Board. • Presenting to the CRGB Board issues faced by consumers, engage consumers on CRGB work, and provide feedback to the CRGB Board.

Remedies and Rules Council

As well as preserving the consumer voice, it was also considered important that the Remedies and Rules and Standards Councils have access to in-depth industry knowledge, as a such it was agreed that each designated CRA should have default membership of these Councils.

Purpose and function of the CIGB's Remedies and Rules Councils

Council	Purpose	Functions
Remedies Council	<p>It will proactively advise the CRGB Board on the design of CIMS industry-led remedies.</p> <p>It will also aid the CRGB Board in undertaking stakeholder engagement for FCA remedies.</p> <p>It will advise the CRGB on its actions towards implementing the CIMS industry-led remedies.</p> <p>Obtain feedback from the industry for the above work.</p>	<ul style="list-style-type: none"> • Provide its recommendations to the CRGB Board on enactment, adoption, and implementation of all industry-led remedies recommended in the CIMS report. • Undertake stakeholder engagement for the CRGB Board on the industry-led remedies and FCA-remedies (wherever required).
Rules and Standards Council	<p>It will be primarily responsible for advising on the drafting and implementation of CRGB rules (initially the PoR and later any other rules developed through industry-led remedies). This includes recommending standards, market practice, text of the rules to be adopted, any required amendments, or any other adaptations required.</p> <p>It will keep the CRGB scheme rules under review and support the CRGB by obtaining feedback on its rules from the industry.</p>	<ul style="list-style-type: none"> • Provide its recommendations to the CRGB Board on enactment, adoption, and implementation of all scheme rules governed by the CRGB. • Monitor industry and regulatory developments and recommend any rule changes or market standards and practice developments. • Undertake stakeholder engagement for the CRGB Board to understand the adoption of the scheme rules. • Feed back its findings to the CRGB Board to recommend rule changes.

Each of the Councils is subject to a Terms of Reference (ToR) agreed between the Council members and approved by the CIGB Board. The ToR should periodically define the purpose, goals, and strategy of the Councils. This would allow the Councils to operate efficiently and aid and assist the Board in its decision-making. The ToR shall be reviewed every two years to ensure the Council's purpose remains relevant to the needs of the CIGB. Special procedure will be required to implement changes to the TOR.

Membership of the Advisory Councils

All subscriber and participant organisations can apply to join a CIGB Advisory Council, in most cases and except for within the Consumer Council, only subscribers have the right to vote. Participants are generally encouraged to engage to express their views. This is because subscriber organisations are those likely to be most directly impacted by the CIGB's decisions and as such should be able to sufficiently influence these decisions. It was also acknowledged that the membership of the Consumer Council would be largely from participant organisations due to the membership criteria discussed above. Therefore, within the Consumer Council all members belonging to participant organisations can vote. If members of the Consumer Council choose to sit on other Advisory Councils, voting will be exercised via the Chairs of the Consumer Council and not the members themselves.

To prevent large organisations dominating Council discussions and voting, it was agreed that organisations can only have one Council member represented on each Council, plus a designated alternative who acts in the absence of the member. Likewise, it was important to smaller organisations that may not have the time or resources to dedicate to the CIGB's Advisory Councils that trade

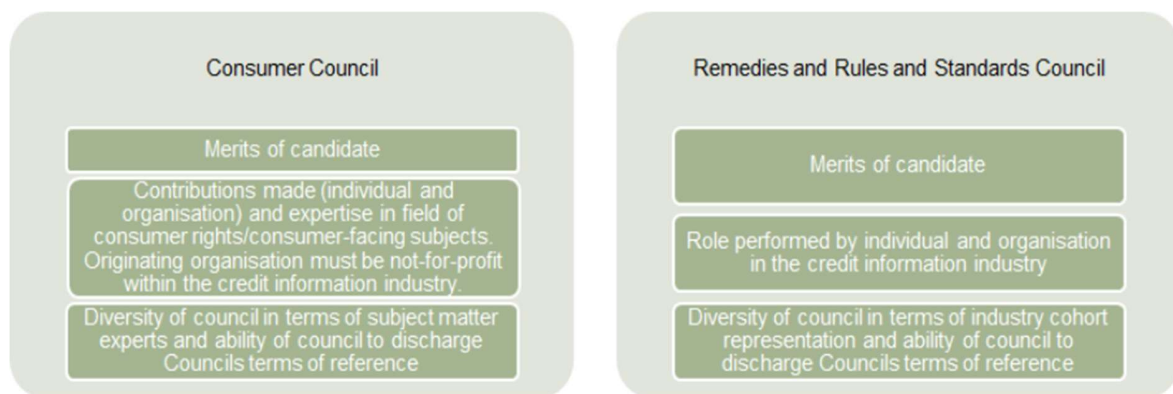
associations registered with CIGB as a participant can vote on their behalf, as long as the trade association is nominated for this purpose. The vote of a council member belonging to a participant organisation will carry as many votes as the CIGB subscribers who have nominated them for this purpose. If a participant organisation has not been nominated to do so by subscribers, they cannot vote. The nomination by a CIGB subscriber of a participant organisation does not require any affiliations of the subscriber with the participant organisation. The decision to vote on behalf of non-affiliated subscribers sits with the participant organisation. However, a trade association can only be nominated to vote on behalf of one subscriber cohort at any given time.

These positions are unpaid roles and membership will be approved by the CIGB Board. Membership applications will open on a revolving basis to allow new stakeholder engagement to take place over time. To ensure the Advisory Council remain effective and efficient, the Board will keep under review the membership and may place limits on membership numbers and/or membership terms including to ensure it is representative. The Board will also have the right to remove members from Councils should they be found to not be performing appropriately.

On acceptance, a member will be included in the Council based on the schedule of the Council and its ToR and the Council Chairs will maintain a register of their members. Ultimately, the membership of each Council needs to allow the Council to meet its ToR. Likewise, diverse representation from a range of stakeholders is considered vital to provide broad views and expertise.

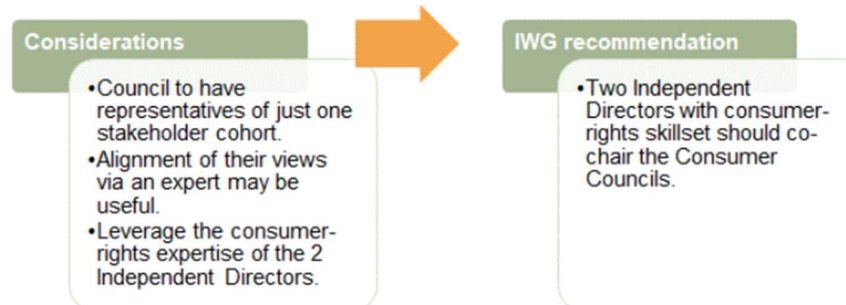
The CIGB Board can also delegate the power to approve membership applications to other person(s), such as the Chairs of the Advisory Councils.

Advisory Council membership criteria

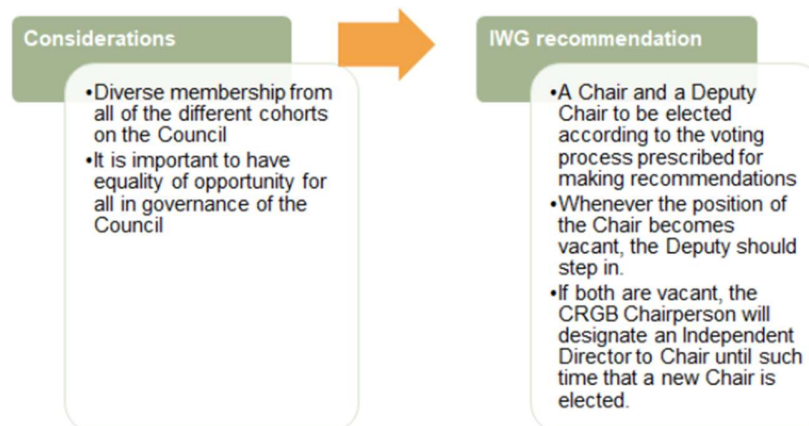


Advisory Council Chairs

Consumer Council Chairs



Rules and Remedies Council Chairs



The roles of these Chairs are considered of high importance, particularly in terms of ensuring the Councils are aligned with the overall workplan of the CIGB and are providing valuable input to the Board. Likewise, the transparency of operations of these Councils was prioritised to ensure input can be gathered from a wide range of sources. Therefore, the Chairs of these Councils have various responsibilities including:

- Drafting annual plans of action for the Councils, including timelines, in collaboration with the members of the Councils.
- Ensuring the CIGB Board is aware of these annual plans. The Board may identify overlaps in the plans of different Councils and may allocate specific topics to be led by one Council in accordance with its relevance to the Councils terms of reference.
- Ensuring these annual plans are accounted for within Council meeting agendas and these agendas are available to members in advance.
- Allowing members to add to meeting agendas, ensuring these topics align with the terms of reference of the Council and prioritising these topics as needed.
- Coordinating with CIGB staff as needed to add to meeting agendas, for example in the case where the Board seeks the views or recommendations of the Council.

- Providing periodic reports to the CIGB Board on the activities of the Council to ensure information symmetry and effective coordination between the bodies.
- Where the Council plans to vote on a recommendation to be provided to the Board, the Chairs must engage with CIGB staff to ensure quality standards have been met and the Consumer Council has been engaged on the potential recommendation. The Council Chairs should also make themselves available to answer any questions on the potential recommendation and / or to clarify any particular points.

As the authority exercised by the Council Chairs for governing their Councils could have significant impact, they are held accountable. Accordingly, five members of a Council could also raise a complaint against any exercise of discretion by their Council.

Council recommendation-making

CIGB's subscribers are those that are most impacted by and subjected to the CIGB's Board decision-making and general governance, therefore, except for the Consumer Council, CIGB subscribers solely hold the voting powers within Advisory Councils. While the views of participants and any other attendees will be taken into account, these stakeholders will not generally vote on recommendations to be made to the CIGB's Board. However, subscribers can nominate a participant, such as a trade association, to vote on their behalf within Advisory Councils. Members of the Consumer Council will vote within their Council, namely on changes to the consumer objective, but will not hold voting powers within other Councils. The Chairs of the Consumer Council will attend and vote within other Councils, utilising the views and expertise of its Council members on the subjects being debated in the other councils.

To ensure the quality of inputs and robust recommendation-making at the Advisory Councils, members can request to invite subject-matter experts to attend Council meetings on an ad-hoc basis. This would allow specialists from subscriber and participant organisations who are not members of the relevant CIGB Council to provide insights which may inform the work of the Council. A Council Chair's rejection of a topic on grounds of it falling outside the ToR can be appealed to the CIGB Board through a formal application in writing signed by at least five council members, within 7 working days of such a rejection. While Councils should strive for as many Council members to be present as possible, the quorum necessary for a vote to be made on a recommendation is:

1. For the Consumer Council: half of its membership from a representative spread of consumer cohorts, including the Chairs, at the time of the meeting.
2. For other Councils: presence of one member from each Advisory Council cohort (the relevant cohorts are: (i) designated CRA subscribers; (ii) subscribers involved in the provision of consumer credit as their principal business; (iii) CISP subscribers; (iv) non-designated CRA subscribers; (v) FSMA-authorized subscribers not covered in other cohorts and non-FSMA subscribers; (vi) one of the co-Chairs of the Consumer Council).

However, if in a Council Chair's reasonable determination, Council members are purposely abstaining from meetings to avoid decision-making, the Council Chair may overrule the quorum requirement. The Council Chair will record this determination in writing and provide it to the Board along with the recommendation.

The CIGB Board will periodically review the functioning of the Advisory Councils, including, their voting mechanism, quorum requirements, and eligibility criteria and enact relevant changes to ensure they continue to be governed effectively.

Voting mechanism

The voting mechanism for CIGB’s Advisory Councils needs to ensure that sufficient representation is present, without slowing down the CIGB’s overall decision-making. It is important that the vote of the individual as well as the cohort they represent are considered.

In the **Consumer Council**:

- Each member shall have one vote
- A simple majority of such votes will determine the adoption of the recommendation.

In the **Rules and Remedies Councils**:

- Recommendations will be passed by the simple majority of cohort votes
- There are 5 cohorts that hold 2 votes
- Each council member will vote individually and these votes will be consolidated to form their cohort’s vote as detailed in the table below

Voting at Advisory Councils

Cohort	Constituents	Vote	Mechanism
Designated CRAs	Designated CRA subscribers	2	To be cast with consensus if 3 firms. If more, can be cast individually.
FSMA subscribers providing consumer credit	Tier 1 and 2 subscribers	1	Simple majority of votes received from constituents
	Tier 3, 4, and 5 subscribers	1	Simple majority of votes received from constituents
CISPs and non-designated CRAs	All CISP subscribers	1	Simple majority of votes received from constituents
	All non-designated CRA subscribers	1	Simple majority of votes received from constituents
FSMA and non-FSMA subscribers not included in above cohorts	All FSMA subscribers	1	Simple majority of votes received from constituents
	All non-FSMA subscribers	1	Simple majority of votes received from constituents
Consumer Groups	Co-Chair of Consumer Council	1	To be cast in accordance with the split of Consumer Council members
	Co-Chair of Consumer Council	1	

To aid understanding, the following example can be used to demonstrate the practicalities of a recommendation put to vote in the Rules and Standards Council.

Recommendation-making within the Rules and Standards Council

	Designated CRAs		Credit providers			CISPs and non-designated CRAs			Other FSMA firms and non-FSMA firms			Consumer groups	
Members of cohorts	3		10 – Tier 1 and 2 20 – Tier 3, 4, and 5			6 – CISPs 12 – non-designated CRAs			20 – FSMA firms 30 – non-FSMA firms			4 members voting via Consumer Council Chair	
Votes of individuals in cohort	Yes	No	Tier 1 and 2 Tier 3, 4, and 5	Yes	No	CISP Non-designated CRAs	Yes	No	FSMA firms Non-FSMA firms	Yes	No	Yes	No
	2	1		6	4		4	1		15	5	2	2
	Reach consensus			8	12		3	9		20	10	Division voting by Co-Chairs of C' Council	
Resulting cohort vote	2 – Yes		1 – Yes 1 – No			1 – Yes 1 – No			2 – Yes			1 – Yes 1 – No	
	Overall result												
7 – Yes; 3 – No Recommendation passed													

Alongside the recommendations of the Councils, supporting information such as dissents, voting details, cohort and intra-cohort views can be sent to the CIGB Board to ensure the diversity of views is highlighted proportionately to the CIGB Board.

Likewise, the CIGB Board may review any recommendations that were rejected by an Advisory Council and request that the Council Chair reconsider adding the topic to that Council’s Agenda. If the Board rejects any Advisory Council recommendations, it will provide its reasons in writing. If the recommendation concerns a special procedure decision requiring a particular Council’s approval, the Board cannot decide in conflict with the recommendation.

Topics that should go to Advisory Councils first

- Any topics in the CIGB constitution reserved for special procedure decisions requiring Advisory Council recommendation.
- Any topics raised by Council members specifically for Advisory Councils.
- Any topics agreed upon in an Advisory Council's annual agenda.
- Any topics originally raised in a CIGB Board meeting but have been referred by two Directors of the CIGB Board for Advisory Council assessment.
- Any topics referred by the CIGB’s legal counsel for Advisory Council consideration.
- Any topics required to be referred to Advisory Councils as per the project plan proposed by the CIGB employees for industry-led remedies.

Step 1: The CIGB secretariat will have a list of issues that need to be considered by the CIGB Board, formed from annual agenda’s, project plans and issues raised ad-hoc by stakeholders.

Step 2: The secretariat filters the topics to see if any fall into Schedule A. If they do, the CIGB secretariat directs them to the Advisory Councils. If they do not, they go directly to the Board.

Step 3: The CIGB secretariat will allocate these subjects to the relevant Council. After the Advisory Councils have followed their steps, set out in the Advisory Council flowchart in Appendix I, their recommendations will flow to the CIGB Board.

Step 4: The secretariat will prepare an agenda for the CIGB Board which will be circulated to the Directors 2 weeks before their Board meeting along with supporting materials. The Directors can also request legal advice or CBA on any of the topics on which it has not already been received.

Step 5: If any topics or issues are accepted by the CIGB Chair as meriting legal advice or CBA, those topics will be referred to the CIGB secretariat and undertaken.

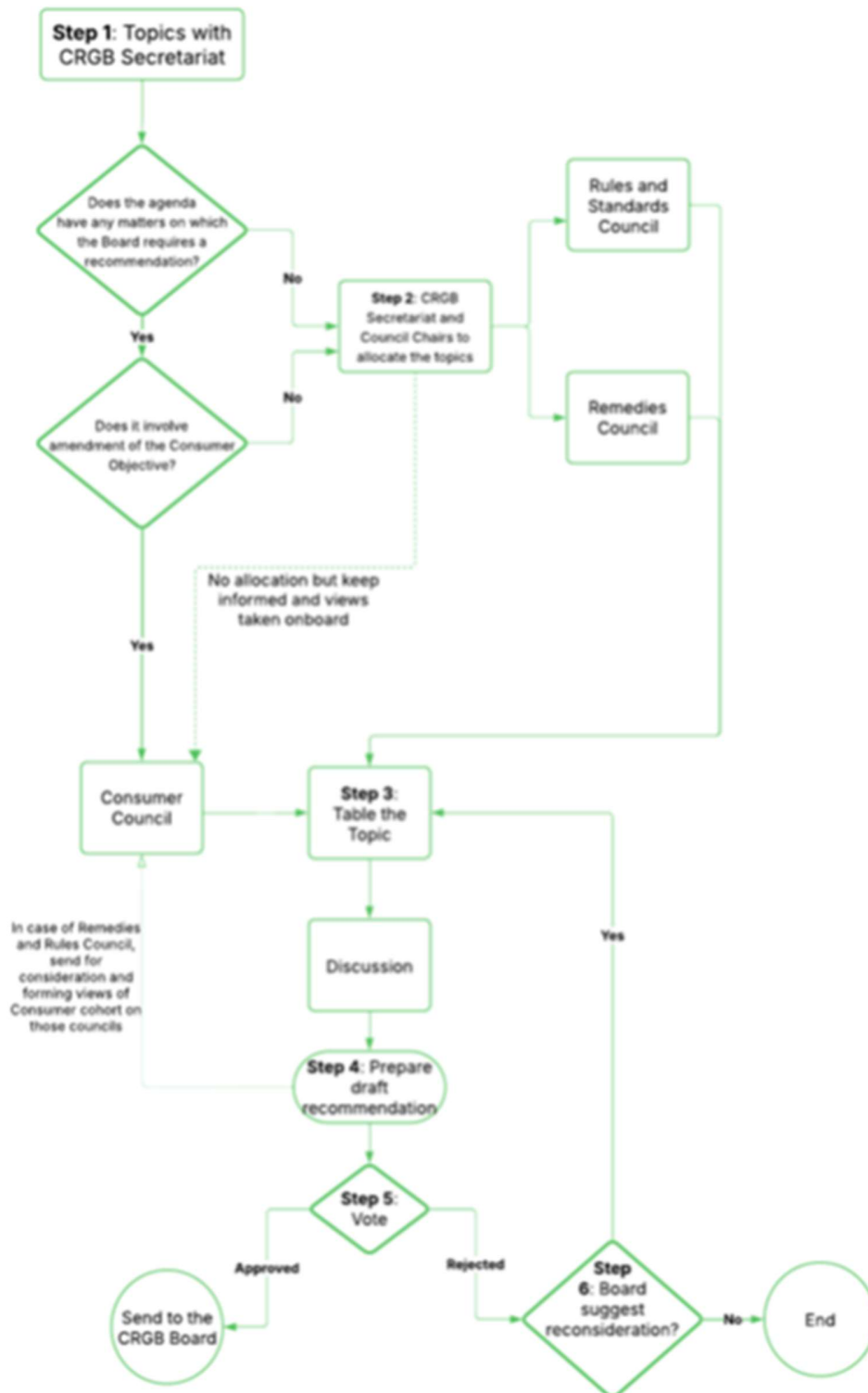
Step 6: Topics will then be raised at the Board meeting as stipulated in the flowchart with necessary protections still available. Specifically:

Step 6A: Two Directors may require a matter to be sent to an Advisory Council (if this has already not taken place), and this would revert those topics to Step 2.

Step 6B: The CIGB Chair will assess if a decision is a special procedure decision. If it is not, the Board can take a decision on the subject with simple majority.

Step 6C: If it is a special procedure decision, the Chair will assess if it is a decision that requires a relevant Advisory Council recommendation. If a Council recommendation has not been received, the process will begin again at Step 2.

Flow of Advisory Council recommendation-making



Step 1 and 2: The topics needing Advisory Council consideration (as outlined in chapter 18) will be allocated to the various Councils by the CIGB secretariat as demonstrated.

Step 3: 15 days prior to this stage the agenda of the meeting will be circulated to all members of the Council along with all supporting materials on the agenda items. The topic is then tabled for discussion at the relevant Council.

Step 4: The draft recommendation is shared with the Board secretariat for quality assurance, Consumer Council views will also be sought at this stage.

Step 5: A vote will be called on the recommendation. If quorum is met, the vote will be undertaken. The Chair will be responsible for recording intra-cohort votes, reasons for dissent, and general cohort views. These details will be provided to the CIGB Board along with the recommendation or decision on a failed recommendation.

Step 6: If a topic requires a Council recommendation before going to the Board, but the Council has rejected the recommendation, the Board may request the Council to reconsider.