



The Renewable Fuels Agency Board Standing Orders

In these Orders:

'RFA' means the Office of the Renewable Fuels Agency

'RTFO' means the Renewable Transport Fuel Obligation

'The Board' means the members of the RFA

'Chair' means the chair of the Board

'Non-executive members' means members of the RFA other than the Chief Executive

'The Board Secretary' means the person who is authorised by the Board to act as secretary to the Board

'DfT' means the Department for Transport

'The Act' means the Energy Act 2004

'The Order' means the Renewable Transport Fuel Obligations Order 2007. Order 2007 as amended by section 13 of the Finance Act 2008 and by the Renewable Transport Fuel Obligations (Amendment) Order 2009;

Status of these standing orders

1. These standing orders are made by the Board pursuant to the Board's duty under paragraph 7 of the Schedule to the Order, to determine the arrangements for the conduct of its proceedings (which may in particular, include arrangements for a quorum) and publish those arrangements. The arrangements shall be published on the RFA website at www.dft.gov.uk/rfa
2. The Order provides that the Board is appointed by the Secretary of State and must comprise at least three but no more than seven members, one of whom will be appointed by the Secretary of State as the Chair and another of whom may be appointed by the Secretary of State as Chief Executive. All members are appointed on an individual basis and not as representatives of any organisations or interests. The precise constitution of the RFA is set out in Paragraph 1 of the Schedule to the Order.
3. These standing orders must be read and interpreted together with the provisions of the Act and the Order and any amendment to or re-enactment or replacement of those

provisions. They should also be read in conjunction with the Code of Practice for Board Members.

4. The RFA, in the performance of its functions, shall have regard to generally accepted principles of good corporate governance and principles of better regulation.

Role of the Board

5. The Board will take collective responsibility for decisions made by it. The role of the Board is set out in the Order which is supplemented by the Code of Practice, the Management Statement (and financial memorandum) and the terms of appointment of each board member.

Quorum

6. No business will be transacted by the Board unless it is quorate. The quorum for full board meetings will be three non-executive members. The Chief Executive should attend all Board meetings and there will be no quorum unless either the Chair or the Chief Executive is present.
7. The quorum for all committees will be decided by the Board and will be at least two non-executive board members.
8. Apologies for absence shall be given in advance to the Chair

Frequency of board meetings

9. Meetings of the Board will normally take place 6 times per year and will normally be scheduled a year in advance and the dates made public. The Chair can call a special (i.e. not previously scheduled) meeting of the Board by giving reasonable notice, depending on the circumstances. If a majority of board members ask the Chair to call a special meeting, he should agree to do so.

Meeting agenda and papers

10. The agenda for a board meeting will normally be proposed by the Chief Executive and approved by the Chair.
11. The agenda and papers for a meeting should normally be distributed to board members at least seven days before the meeting by hard copy medium as agreed with each individual member and consistent with data protection requirements.

12. Failure of a member to receive notice of a meeting, or papers for that meeting, does not invalidate that meeting or any business transacted at it.

Board meetings in private

13. Under normal circumstances, board meetings shall take place in private although the Board may invite any person to attend all or part of a Board meeting.

14. The Board should hold open meetings where practical and appropriate as described in the *Code of Practice for Board Members*.

15. Board meetings *must* be in private where there will or may be discussion of:

- information which is the subject of legal proceedings or legal advice;
- information about sensitive personnel or staffing issues;
- information which, if placed in the public domain, would increase the likelihood of damage to the environment;
- information regarding the welfare of communities and employees involved in the production of renewable fuels, which if placed in the public domain could affect their security or welfare;
- the RFA's advice to Government where this is subject to further internal discussion or has been asked for in confidence;
- information that is confidential to the RFA or to anyone else.

16. Board papers which are taken in private session will not be issued to the public or posted on the RFA's website unless the Board decides otherwise.

17. Before an open meeting the Chair or any other member may move that an item be considered in private session rather than open session, or vice versa, if there is reason to do so.

Chairing meetings

18. At any meeting of the Board, the Chair will preside. If the Chair is unable to preside, the Chair will normally nominate another member to preside. In the absence of such advice, the board members present will choose one of their number to preside, but that person may not be the Chief Executive. Whoever takes the role of the Chair under this standing order assumes all powers and duties relating to the conduct of a meeting normally assigned to the Chair.

The Chair will:

- a. ensure that meetings are held at appropriate intervals throughout the year;
- b. call additional meetings as required to govern the business;
- c. ensure that minutes of the meetings accurately record the decisions taken and where appropriate, the views of individual members;
- d. preserve order and ensure that members have sufficient opportunity to express their views on all matters under discussion;
- e. determine all matters of order, competency and relevancy;
- f. determine whether or not a vote is required and how it is carried out;
- g. have the power to re-order the sequence of the agenda if that will help the progress of business.

Other responsibilities of the Chair are set out in the Management Statement and its Annex A – the Financial Memorandum.

Board decisions

19. Decisions by the Board must be by consensus of participating members except where a vote is required. Decisions will only be reached by vote when:

- a. The Chair feels that there is a body of opinion among members of the Board at the meeting who disagree with

- a proposal or have expressed reservations about it and no clear consensus has emerged;
- b. A member of the Board who is present requests a vote to be taken and this is supported by at least one other member of the Board; or
 - c. Any other circumstances have arisen where the Chair feels that a vote should be taken.
20. If a vote is required, the decision will be taken by simple majority voting with each member of the Board having a single vote. A vote may be by oral expression or a show of hands. Only members of the Board who are present may vote with proxy votes not permitted. The Chair shall declare whether a resolution has been carried or lost.
21. In the case of an equality of votes, the Chair shall have a second casting vote.
22. The minutes of the meeting will record only the numerical results of a vote showing the numbers for and against the proposal and note any abstentions. The minutes shall be conclusive evidence of the outcome. Votes will not normally be attributed to any individual member of the Board, but any member of the Board may require that their particular vote be recorded provided that he/she asks immediately after the item is disposed of.
23. Only those members attending the discussion at the point when the decision is reached will be treated as participating for the purpose of making the decision. A member who leaves the meeting prematurely will therefore be treated as a non-participating member for the purpose of any decision taken after the time of their departure.
24. The Board may defer a decision on an agenda item so that it can be provided with additional information or for any other reason. The decision to defer, together with the reasons for doing so, will be recorded in the minutes of the meeting together with a proposed time returning the matter to the Board for its consideration.
25. The Board may decide to delegate decisions on agenda items to the Chair or other members. The decision to delegate, with the reasons together with the final decision, should be recorded in the minutes of the meeting.

26. Members may dissent from any decision recorded provided they have participated in the meeting in which that item was considered and provided that members ask immediately after the item is disposed of, that such a dissent be recorded.
27. Written comments on agenda items submitted by any non-attending members will be circulated to members.

The seal of the RFA and execution of documents

28. The Board must authorise, either generally or specifically, one or more Board members or RFA employees to authenticate by signature the application of the seal of the RFA.
29. The Board must authorise, either generally or specifically, one or more Board members or RFA employees to sign contracts and other documents on its behalf.

Minutes of meetings

30. Minutes of all meetings will be taken, including the names of those present. The minutes will record key points of discussions, but will not attribute comments to specific persons unless this is requested by the person concerned. Where personnel, finance or other confidential matters are discussed, the minutes will describe the substance of the discussion in general terms.
31. Draft minutes will be approved by the Board members, then sent to the CEO for approval and finally to the Chair for approval. The minutes are then circulated to Board members ready for formal sign off. The amended minutes will be presented to the next board meeting to be confirmed by the Board and then signed by the Chair. Full minutes of meetings will be posted on the RFA's website unless containing company sensitive information and made available to the public on request.

Status of Chief Executive and staff

32. The Chief Executive is a member of the Board and will advise the Board on all matters of propriety, regularity, and prudent and economical administration, in his/her role as Accounting Officer.

33. The Chief Executive with the agreement of the Chair may require any employee of the RFA to attend all or part of a Board meeting.

Board Secretariat

34. The Board Secretary, or substitute, will co-ordinate the dispatch of agendas, attend and prepare for all meetings of the Board, and any committees that the Board has created. The Board Secretary will not be entitled to vote. The Board Secretary shall make and maintain minutes and other records associated with Board and committee meetings, in accordance with the RFA's records management, maintenance and retention policies.

Delegation

35. The Board may delegate a function to the Chief Executive, any employee of the RFA or a Committee of the Board in accordance with Paragraph 6 of the Schedule to the Order.
36. All delegations shall be in clear terms. Any delegation may be made subject to any conditions the Board may impose and may be revoked or altered by the Board. The nature and scope of delegations shall be recorded in the minutes.
37. The Board may itself discharge a function even though it has delegated the discharge of that function.
38. A delegate may not sub delegate a discretionary power of the RFA.

Conflict of interest

39. If a member of the Board or a member of any committee knowingly has any interest or duty which is material and relevant or the possibility of such an interest or duty, whether direct or indirect and whether pecuniary or not, that in the opinion of a fair-minded and informed observer would suggest a real possibility of bias in relation to any matter that is brought up for consideration at a meeting of the Board or any committee of RFA, he/she shall disclose the nature of the interest or duty to the meeting. The declaration of interest or duty may be made at the meeting at the start of the discussion of the item to which it relates or in advance in writing to the Chair. If an interest or duty has been declared in advance of the meeting this will be made known by the Chair

of the meeting prior to the discussion of the relevant agenda item. In the event of the person not appreciating at the beginning of the discussion that an interest or duty exists, he/she should declare such an interest as soon as he/she becomes aware of it.

40. If a member of the Board or a member of any committee has acted in accordance with the provisions of paragraph 39 and has fully explained the nature of their interest or duty, the members of the Board present at the meeting of the Board or of the committee will decide whether the interest or duty is one that is likely to influence the member's performance of his/her function or whether it is one that is relevant to that function. If it is decided that the former is the case, the member shall withdraw from all further participation on the issue in question.
41. If it is decided that the interest or duty falls into the latter category, the member shall withdraw unless the other Board members present at the meeting of the Board or of the committee decide that the member may participate to the extent that those Board members consider appropriate in the discussion and determination of the issue. If it is decided that the member with the interest or duty should leave the meeting the Chair may first allow him/her to make a statement on the item under discussion.
42. If it is decided that the Chair of a Board or committee meeting should leave the meeting because of a conflict of interest, another member or committee member will be asked to chair the discussion of the relevant agenda item in accordance with the procedure set out in paragraph 18 of these standing orders.
43. RFA employees who are not members of the Board or a committee, but who are in attendance at a meeting of the Board or a committee should declare interests in accordance with the same procedures as for those who are members of the Board or committee members. Where the Chair of a meeting rules that a potential conflict of interest exists, any RFA employee so concerned should take no part in the discussion of the matter and may be asked to leave the meeting by the Chair.
44. A member of the Board, a committee member or RFA employee in attendance at meetings of the Board or a committee shall be subject to the procedural arrangements for

dealing with conflicts of interest made in accordance with paragraph 18 of the Schedule to the Order and as developed at Annex A of these standing orders.

45. Any decision made under the provisions of paragraphs 39 to 43 of these standing orders shall be recorded in the minutes of the Board or committee meeting together with any additional information that the Board or committee consider appropriate (including for example the extent to which the member or committee member has had access to papers prior to withdrawal).

Confidentiality

46. Members may use their discretion in discussing items of Board business from open sessions with other parties following the meeting. The nature and content of business considered in private session must be treated with the utmost discretion and confidentiality, given the sensitive nature of this business. Further discussion of matters discussed in the private session should therefore be confined to Board members and staff either in attendance or necessarily involved in the business in question, save such information as has been placed in the public domain by its inclusion in the published minutes. Board papers shall be treated as confidential unless agreed otherwise by the Board.
47. Board members should, wherever possible, obtain the prior approval of the Board before making public statements (including statements to the media) on behalf of the Board.

Amendment of standing orders

48. These standing orders may be reviewed from time to time by the Board and may be varied, revoked or added to by the Board as necessary. The standing orders will also be included in the annual reviews of the overall board governance framework.
49. No part of the standing orders may be varied, revoked or added to where this would contravene any statutory provision or direction made by the Secretary of State.

Agreed by the board on 8th July 2009

Annex A

Conflicts of interest: procedural arrangements

1. Paragraph 18 (1) of the Schedule to the Order requires that the RFA has in place arrangements under which a member, employee or committee member who has a financial or other personal interest which is likely to influence his/her performance of a particular function is obliged –

a) to declare the interest, and

b) to withdraw from the performance of the function to the relevant extent.

2. Under paragraph 18(2) the RFA is also required to put in place procedural arrangements under which a member, employee or committee member who has a financial or other personal interest which is relevant to a particular function, but does not fall under paragraph 18(1) of the Schedule is obliged:

a) to declare the interest, and

b) unless the members of the Board direct otherwise, to withdraw from the performance of the function to the relevant extent.

General principles

3. It is important to the RFA to:

- ensure that no member, employee or committee member is involved in taking a decision or participates in a discussion on any matter where that person has a conflict of interest, except where steps have been taken to manage this in accordance with paragraphs 39-41 of the Board standing orders;
- ensure that those providing information to the RFA can be confident that it will be properly handled; and
- avoid any impression that any member, employee or committee member has used his/her relationship with the RFA to his/her personal advantage.

4. Every member, employee or committee member should avoid situations in which his/her duties and private interests may conflict or where there would be a suspicion of conflict and ensure that,

before he/she becomes involved in taking a decision or participating in a discussion, there are no conflicts of interest that, in the opinion of a fair-minded and informed observer, would suggest a real possibility of bias.

5. Where a member, employee or committee member comes into possession of confidential information in the course of his/her duties, he/she must not use or disclose that information in order to benefit himself or herself or any other person.

6. A member or committee member should consult the Chair before accepting a new appointment which may lead to a conflict of interest.

7. Each member, employee or committee member is responsible for his/her own compliance with these procedural arrangements and with the law.

Interests that should be registered

8. In the interests of transparency and accountability the RFA requires members or committee members to complete a 'register of interests' form, of interests that are capable of being interests that might conflict with his/her duties.

9. The Board Secretary will keep this register. Members or committee members should notify that person of any changes and are responsible for keeping their entry in the register up to date. The register is available for scrutiny by the public and is published on the RFA's website.

10. Every year the Board Secretary will confirm with members or committee members that their interests have been registered. He/she may from time to time ask members or committee members to confirm that their registered interests are up to date and that they have complied with these procedural arrangements.

11. It must be confirmed in the RFA's annual report that the RFA has complied with these procedural arrangements.

Registering interests

12. Members or committee members should register the following interests where they could represent or could be perceived to represent a conflict of interest. To help members or committee members decide whether the interest should be registered, they should refer to paragraph 18 (below):

- relevant securities which are not placed in a blind trust (see paragraph 13 below);
- remunerated employment, office or profession other than with the RFA;
- other regular sources of remuneration;
- directorships, whether remunerated or not; and
- membership of public bodies (hospital trusts, governing bodies of universities, colleges and schools, and local authorities), trusteeships (of museums, galleries and similar bodies) and acting as an office holder or trustee for pressure groups, trade unions and voluntary or not-for-profit organisations.
- memberships of non-governmental organisations, pressure groups, charities or lobbying bodies that could be regarded as stakeholders in the RFA or RTFO.

13. “relevant securities” means any financial interest (such as shares or debt securities (including debentures, bonds, options, rights or future rights to shares or other securities but not including units in a unit trust or equivalent managed fund and not including gilts, government bonds or other financial instruments issued by or on behalf of HM Government)) in the bodies referred to in paragraph 14 held by a person, their spouses or dependent children which are not placed in a blind trust. “Blind trust” means an arrangement by which a person gives a stockbroker or other professional investment manager absolute discretion to manage investments in relevant securities and under which that person:

- is not consulted before any dealing takes place;
- does not instruct the investment manager with regard to any specific securities; and
- is not informed of changes in specific investments or the state of the portfolio other than in an aggregated form or as required for tax returns.

14. The bodies referred to in paragraph 13 are bodies having an interest in the UK transport fuel industry which includes:

(a) persons who operate fossil fuel or biofuel refineries, distribution networks, fuel production facilities or other fuel industry assets;

(b) persons holding or applying for RTF accounts with the RFA;

(c) persons who supply any material equipment or services to the transport fuel industry and/or the RFA;

(d) persons who produce or supply feedstocks for the transport fuel industry or who supply material equipment or services to the feedstock industry;

(e) bodies which are part of the same group as a person falling within any of the above sub-paragraphs.

Disclosing interests

15. From time to time a member or committee member may become aware of interests which might conflict with their RFA duties. As well as keeping their entry on the register of interests up to date, a member or committee member must disclose to the Board Secretary such interests as soon as he/she becomes aware that they may cause a conflict, for example, on receipt of an agenda or Board meeting papers.

16. Such interests must be disclosed whether or not they are entered on the register.

17. As required by paragraph 45 of the RFA's Board standing orders the minutes of any RFA Board or committee meeting will note the disclosure of any such conflicts and the decision of the Board members in relation to continued participation or withdrawal from discussions and decisions. In addition, the Board Secretary will keep a permanent record of all such disclosures of interests made by any member or committee member or employee in attendance at a meeting. That record will be kept confidential and will not be disclosed save in the following circumstances:

- Where there is a requirement for disclosure for the purposes of managing actual or potential conflicts;
- Where there is any statutory or legal obligation to disclose the information; or
- Where there is an appeal or judicial review (or realistic threat of judicial review) of the decision in question and

the Chair decides that a disclosure of the record would be appropriate.

18. In considering whether to disclose such an interest, a member or committee member should ask whether, in the opinion of a fair-minded and informed observer, the interest would suggest a real possibility of conflict on that person's part. The following questions may be useful:

- Does he/she have any material financial or other business relationship with a stakeholder?
- Does he/she have any other relationships with another party, the existence of which might suggest a real possibility of bias on their part?
- Has he/she taken a public position that might be seen as compromising his/her ability to deal objectively with a matter that is relevant to the RFA?
- In the opinion of a fair-minded and informed observer, would the interests of close family members suggest a real possibility of bias on the part of the member or committee member?

19. The Chair should consider whether a material financial interest held by a member or committee member, other than through a blind trust, in a body referred to in paragraph 14 of this annex is likely to constitute a conflict of interest. In such instances, the Chair will determine whether the member or committee member should absent themselves from specific decisions or areas of the Agency's work. In such instances, the Chair's view will be made publicly available.

20. Advisory interests in the bodies referred to in paragraph 14 may in certain cases be *likely to influence* a member's or committee member's functions within the meaning of paragraph 18(2) of the Schedule. An assessment can be made on a case by case basis as to whether they preclude Board or committee membership or can be dealt with on a case by case basis in accordance with the procedures set out below.

21. Such a case by case assessment should have regard to how directly the interests of the person with whom the member or committee member has such an advisory link would be influenced by RFA decision making. The greater the extent of the person's involvement in the transport fuel industry as affected by the RFA

and the implementation of the RTFO, the more problematic the interest is likely to be. Advisory interests where RFA decisions could have a material impact on the underlying value of the business in which that interest is held are likely to be unacceptable. Other relevant factors include:

- the subject matter and scope of the advice the committee member would be likely to be asked to give; and
- the duration of the relationship.

22. It will be important to weigh up the extent to which there could be any perception that the member or committee member has access to confidential information that could benefit a third party. In the case of consultancy or advisory interests, these are more likely to raise problems where the advice to be given by a member or committee member to a person could be expected to be materially affected by RFA Board decisions.

23. Some interests will not raise such serious concerns and may only be *relevant* to one or more of a member's or committee member's functions (within the meaning of paragraph 18(2) of the Schedule).

24. Financial or advisory interests held by the spouse or dependent children of a member or committee member need to be considered under these rules on conflicts of interest. In certain situations interests of other close family members may need to be considered under these rules.

25. The presumption should always be in favour of declaring any interest that could be relevant to the performance of the functions of a member or committee member.

Procedures for handling interests

26. In the event that a member or committee member receives a written paper on a matter on which they have a conflict of interest, they must immediately return the paper to the Board Secretary with an indication of the extent to which the paper has been read.

27. If a member or committee member becomes aware of a conflict during the course of any discussion, his/her interest should be disclosed immediately and he/she should, if appropriate, withdraw from the discussion and any decision relating to the matter. However, in some circumstances he/she may, if the Board or

committee permits, participate in such discussions and decisions in accordance with paragraphs 39 – 45 of the standing orders.

28. Before trading relevant securities or exercising options, a member or committee member should disclose his/her intention to trade to the Chair, giving at least 24 hours notice. The Board Secretary will record the disclosure of the intention to trade by any member or committee member.

Employees

29. Employees must comply with the staff policy regulating financial or other interests in effect from time to time. If the employee is also a Board member or a committee member or in attendance at a Board or committee meeting, he/she must also comply with these standing orders to the extent that they apply stricter or more extensive rules.

Confidential information

30. The Criminal Justice Act (CJA) 1993 makes it a criminal offence for an individual who has information as an insider to deal in securities (including shares, debentures, warrants and options) on a regulated market. A member, employee or committee member who gains access to price-sensitive information through their duties will be considered an “insider” under CJA1993. A member, employee or committee member who has unpublished price-sensitive information on any company, and deals in the securities themselves, or arranges for someone to deal in the securities on his/her behalf, or passes the information on to someone, or encourages someone else to deal will be committing an offence.

31. Particular care should be taken to avoid disclosing to any person (or otherwise acting on) any discussion relating to decisions which have not yet been made public.

32. Even where disclosure would not breach the insider dealing rules, a member, employee or committee member must ensure that they do not disclose to any person information received during the course of the duties where such information has been provided on a confidential basis.