

Governance Statement

**relating to the
constitution, powers and funding
of PhonepayPlus**

PART I

Constitution, Regulation, Strategy

PART II

Funding, Budgets and Levy

December 2009

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GOVERNANCE STATEMENT

PART I – Constitution, Regulation, Strategy

A. Constitution

1. PhonepayPlus Limited (PhonepayPlus) is the authority responsible for the day to day regulation of premium rate services. It is constituted as a non-profit-making company limited by guarantee whose members are the Directors of the Company. It is a public body at law, but not a designated public body for such purposes as Freedom of Information, or Legislative and Better Regulatory Reform.

2. The objects of the Company as set out in the Memorandum of Association are:

For the protection of the public to supervise the content of promotional material for and other matters relating to premium rate telephone services (being telephone services where a portion of the overall charge to the subscriber is passed on by the telephone network operator to the individual organisation providing the service) and in particular but without prejudice to the generality of the foregoing;

(i) to set standards relating to the content and promotion of premium rate telephone services whether through Codes of Practice or otherwise and to keep such standards under review;

(ii) to monitor such services to ensure that both the content and promotional material comply with these standards;

(iii) to investigate complaints relating to the content and the promotion of such services;

(iv) to recommend measures designed to achieve compliance where breaches of any such Code of Practice have been identified; and

(v) to provide occasional reports on the numbers and categories of complaints received and action taken and to produce leaflets, information letters and other material relevant to the setting of standards and the enforcement of the Codes of Practice.

3. The Articles of the Company prescribe that, unless otherwise determined by ordinary resolution, the minimum number of Directors is set at two and the maximum at 12. Currently the Board consists of the Chairman, the Chief Executive of PhonepayPlus, and up to eight non-Executive Directors, all appointed in their individual capacities following an open recruitment and selection process. A minority of Board members has contemporary industry knowledge, but do not sit on adjudication tribunals.

4. The main functions of Board members involve the formulation of PhonepayPlus policies and strategies, including the development and enforcement of the Code; the setting and reviewing of the three year strategic and annual business plans; and supervising the work of

the Chief Executive and Executive, who are accountable to the Board for ensuring the provision of an effective and efficient regulatory service.

5. Board members serve for a term of three years, subject to a maximum of two consecutive terms. They are required to comply with the seven Nolan principles of public life. The company appoints a Secretary to the Board.
6. The accounting reference date of the company is 31st March. Although a small company and therefore able to rely on the exemptions set out in the Companies Act 2006 regarding the form and contents of its annual accounts, PhonepayPlus produces a Business Review with the Directors report - as part of its commitment to summarise its business activities, plans, strategies and performance measures - together with a description of the risks and uncertainties affecting it.
7. The Board of PhonepayPlus appoints the Chief Executive and has appointed three sub-Committees to manage certain areas of its responsibilities. These are the Human Resources and Remuneration sub-Committee; the Finance, Performance and Budget Management sub-Committee; and the Audit Risk and Corporate Governance sub-Committee.
8. The reserve powers of the Board are set out in the Schedule.

B. Regulatory Function

9. Ofcom has formal responsibility for regulating premium rate services under the terms of the Communications Act 2003. Under the powers set out in section 121 of the Act Ofcom has designated PhonepayPlus to deliver the day-to-day regulation of the premium rate phone-paid services market, by approving the PhonepayPlus Code of Practice (Code).
10. The Code is developed by the Executive in conjunction with the Code Compliance Panel, and approved by the Board. Following an open consultation process, the Code is formally approved by Ofcom under section 120 Communications Act 2003 and is notified to the EU commission under Directive 98/34/EC as amended.
11. The Administrative Court has determined that PhonepayPlus is an enforcement authority with statutory responsibility for enforcing the Code. PhonepayPlus has not been designated as a body subject to the Freedom of Information Act 2000, nor is it subject to the Legislative and Regulatory Reform Act 2006. However, in carrying out its regulatory remit, PhonepayPlus has undertaken to comply with the HM Government Code of Practice on Consultation, and to have regard to the five principles of good regulation, namely:

transparency; accountability; proportionality; consistency; targeting

C. Regulatory Remit

12. The term 'premium rate services' is defined in section 120 of the Communications Act 2003, and under that section Ofcom has set a Condition which defines the term 'controlled premium rate services', and assigns such services to PhonepayPlus for it to regulate in the UK. Through its Code, PhonepayPlus regulates services in their entirety – their content,

promotion and overall operation. Premium rate services offer some form of content, product or service that is charged to users' phone bills.

13. The PRS Condition applies to a subset of PRS, Controlled PRS, which is defined as including:

- a PRS which costs more than 10p per minute;
- a PRS using a 'Special Services Number', e.g. 0871, which costs more than 5p per minute;
- a Chatline Service (as defined);
- a Sexual Entertainment Service (as defined); or
- an internet dialler (as defined).

14. Controlled PRS are regulated by PhonepayPlus through the Code, and the relevant communications providers involved in their provision are subject to Ofcom's backstop enforcement powers. Controlled PRS require this level of regulation because of their potential to cause consumer harm that may not be adequately addressed by more generic consumer protection regulation.

15. PRS was identified in the Ofcom Scope Review (published 28 October 2009) as having the following characteristics:

- i. Experience goods – consumers are only able to ascertain the quality of a PRS at the point at which it is consumed;
- ii. Bill/supply preparation – consumers access and pay for PRS via their fixed or mobile operator, but the service is likely to be supplied by a third party whose identity may not always be visible;
- iii. Absence of billing clarity - the total charges for the PRS will only become apparent after the event, and if the consumer receives an itemized bill, which is not always the case;
- iv. Relatively low expenditure per transaction –the cost of PRS is relatively low compared to other consumer purchases, even though higher than the cost of ordinary telephone calls;
- v. Impulse purchases with an easy sales process – the simplicity of the sales process could result in consumers not making the effort to check and understand the charges that they will face for a PRS;
- vi. Inappropriate or offensive content – consumers can inadvertently access content that they would otherwise find offensive
- vii. Appeal to children – ringtones and games, for example, are particularly popular with young consumers, who may also be attracted to the simplicity of the PRS payment mechanism

16. Premium rate services typically offer information and entertainment services via fixed or mobile phone, PC (e-mail, internet), or interactive digital TV. There are many sorts of services, examples of which are:
- Ringtones; games, competitions
 - Sports and news alerts
 - TV voting and charitable donations
 - Directory enquiries
 - Ticket booking lines
 - Advice lines and technical support lines
 - Chat and business information
17. Landline services currently vary in cost from approximately 5p to £1.50 per minute (this is based on calling from a landline; mobiles costs are much higher). These services include technical support helplines, customer support, competitions, television voting and entertainment services.
18. Premium rate mobile services use short access codes (shortcodes), which are typically five- and six-digits, and will typically be shown on mobile bills as 'premium rate call' or 'high premium rate service'. Premium rate charging for mobile content is generally on a 'per text message' or 'per transaction' basis, and includes services such as content downloads, charitable giving, competitions and television voting.
19. The potential for consumer harm from premium rate services is a function of the characteristics of these services, and can arise in a number of ways. The Ofcom Scope Review identified the following factors to be taken into account:
- i. the consumer's network provider may not be the actual supplier of the PRS.
 - ii. there may be a complex, fragmented value chain, with large numbers of suppliers operating at different levels in the chain.
 - iii. barriers to entry and exit are relatively low at the level at which content is developed.
 - iv. consumers are only able to ascertain the quality of the PRS at the point at which it is consumed.
 - v. the price of the PRS is relatively low, potentially discouraging consumers from seeking redress.
 - vi. the purchase process involves little or no authentication, thus encouraging consumers to purchase on impulse.
 - vii. the PRS is likely to involve inappropriate or offensive content.
 - viii. the PRS is likely to be marketed to children or likely to have a particular appeal to children.

20. PhonepayPlus carries out its duties through the imposition and enforcement of responsibilities on defined parties who are collectively termed providers of premium rate services. There are those who provide the networks which carry the services (, those who provide the services which the networks then carry and those who provide the content of the service if the service provider does not do that itself.
21. PhonepayPlus provides Help Notes which, although not part of the Code, provide detailed advice on certain areas. These notes, together with a copy of the relevant legislation and other relevant material, are available on the PhonepayPlus website (www.phonepayplus.org.uk) and on request from PhonepayPlus.

D. Regulatory Procedures

22. PhonepayPlus adjudicates complaints that are referred to it by consumers, members of the public, industry, and through its monitoring of services. Complaints are recorded and analysed, grouped with similar complaints relating to the same service, and are then investigated by a specialist team. Adjudication is undertaken by an independent tribunal
23. Tribunals meet fortnightly, and are drawn from a larger panel (the Code Compliance Panel) which is chaired by a qualified barrister or solicitor having not less than 15 years' relevant experience. Members of the Code Compliance Panel are appointed by the Board of PhonepayPlus in consultation with the Chairman of the Panel, who is also appointed by the Board. Tribunals are made up of three people, and comprise a legally qualified Chair, and either two lay members or a lay member and a member of the PhonepayPlus board who has no industry relationships.
24. PhonepayPlus currently operates three procedures for dealing with apparent breaches of the Code. The Informal Procedure is used where the incident in question has caused little consumer harm and the service provider has an acceptable history of complying with the Code. In this instance, there is no formal investigation if the service provider acknowledges the breach and agrees to take remedial action. At the other end of the spectrum, the Emergency Procedure is used where the apparent breach has caused serious consumer harm which requires immediate remedy. In this instance, PhonepayPlus undertakes an immediate investigation of the service and presents its early findings to the Code Compliance Panel with a view to securing their agreement to the service being immediately removed from operation, pending formal adjudication within a subsequent 10 working day period.
25. In all other cases, PhonepayPlus operates the Standard Procedure. This involves the service provider being supplied with all the necessary information giving rise to the apparent breach of the Code, which has been received or acquired by PhonepayPlus. The service provider is given the opportunity to respond in detail to this information, and following such response, a report is prepared by PhonepayPlus for submission to a Tribunal. A service provider may request, or a Tribunal may invite, oral representations from service providers prior to an adjudication.

26. PhonepayPlus also operates a procedure that enables the information, or content, provider to respond to allegations of breach of the Code in place of the service provider, upon satisfaction of certain conditions and on receipt of appropriate assurances and undertakings.
27. Tribunals have a wide range of sanctions available to them, all of which are set out in the Code and further explained by a published sanctions guide. Minutes of all adjudications are posted on the PhonepayPlus website fifteen days of the hearing taking place.
28. Any respondent to proceedings alleging breach of the Code is entitled to apply to a different Tribunal for a review of the adjudication on reasonable grounds, such as the availability of new evidence or a misunderstanding as to the technical operation of the service in question. Such a company may also request an oral hearing, whether before or after an initial adjudication, which is subject to the formal procedures expected of a court of law.
29. Respondents who have appeared at oral hearing may also appeal against the decision of that hearing on specified grounds –that the disputed decision was based on error of fact; or was wrong in law; or the tribunal exercised its discretion incorrectly in reaching its decision. The appeal is to an Independent Appeals Body which is chaired by a Judge. and four lay members, who are all completely independent of PhonepayPlus.

E. Strategy

30. As the regulator for premium rate services, the PhonepayPlus vision is that anyone can use premium rate services with absolute confidence.
31. In pursuit of its regulatory vision, the PhonepayPlus Code protects consumers by setting appropriate standards for the promotion, content and overall operation of premium rate services, taking account of people, particularly children, who may be especially vulnerable. PhonepayPlus pre-empts breach and promotes compliance by giving advice on the Code to providers of premium rate services, and by monitoring services. If there are breaches of the Code, PhonepayPlus promptly enforces its provisions in order to minimise consumer harm and encourage compliance in the future.
32. In carrying out its strategy, PhonepayPlus is committed to the following:
 - i. Being aware of, and responsive to consumer harm - especially the ways in which consumers, or particular sets of consumers, may be vulnerable to harm when using premium rate services
 - ii. openness, fairness, even-handedness and impartiality when dealing with any individual or company involved in the provision of premium rate services
 - iii. consistency - when making decisions and imposing sanctions relating to breaches of the Code and having in place mechanisms to ensure that consistency
 - iv. co-operative engagement - with the constantly developing premium rate industry to secure its support for our work
 - v. working with legislators - and other regulators to ensure that those who influence the operation of premium rate services fully understand and support our work

- vi. maintaining our technical understanding -of relevant commercial developments so that our regulation remains targeted and proportionate, and allows innovation and investment
- vii. being accessible - to consumers and helping them understand how premium rate services work so that they can better protect themselves
- viii. acknowledging the contribution made by all members of the organisation

F. Treatment of Risk

- 33. The policy of PhonepayPlus in relation to risk management is to develop a culture that ensures risks are fully identified, analysed and assessed, and to subject ongoing risks to controls that are designed to give reasonable assurance of confining likely loss. Risk controls are designed to be both proportionate to the risk, and relevant to the expected outcome.
- 34. The risk management systems established and maintained by PhonepayPlus are designed to be sufficiently robust and defensible to inform decision taking and business planning, and to shape corporate strategies. Risks affecting its operations are recorded in a regular, transparent and conforming manner, and the effectiveness of its RM processes are reviewed at least once every year, while the relevance and extent of control of its managed risks at least quarterly. Emergent risks will be reviewed as regularly as the nature of the risk requires.
- 35. Risks are reported to the Audit, Risk and Corporate Governance Committee each quarter, and form part of the Chair of that Committee's report to the following Board meeting.

G. Independence

- 36. PhonepayPlus operates in an entirely independent manner. Apart from a minority of members who are appointed on the basis of their contemporary industry knowledge, no member of the Board may have any commercial interest in the premium rate sector.
- 37. Any Board member with such commercial interests will take no part in the adjudication process.
- 38. Board members constitute a minority on Tribunals that adjudicate on the provisions of the Code, and no more than one Board member may sit on such a Tribunal.

H. Conflicts of Interest

- 39. Within one month of appointment, each Board member is required to complete a Standing Declaration of Interest. If there are material changes to the declaration then a new one should be completed. All Board members are asked to complete a new declaration annually.
- 40. Declarations must list any relevant material financial interest, including investments, contracts and consultancies, held either personally, as a trustee or as effective controller of a company (whether or not this is achieved by a majority interest).

41. Declarations must also cover the relevant financial interests of the Board member's close family members. They must also cover any relevant non-financial interests or connections. Any changes in these interests must also be declared as and when they occur. Declarations are re-sought and reviewed annually and the results of the review recorded.
42. Any independent, non-industry member who acquires a direct premium rate services interest or whose close family member acquires such an interest must resign unless the Board specifically resolves to the contrary. In any event the Board does not intend for more than one third of members to have industry interests.
43. In addition to a standing declaration of interest, disclosure must be made at each Board and Committee meeting, and on any occasion when a possible conflict of interest arises. The Board member concerned should normally declare to the Chairman that there is a possible conflict, including the details of what it is and withdraw from any meeting in which it may become material without taking part in decision-making.

J Data and Confidential Information

44. PhonepayPlus receives and processes personal data, and does so in accordance with the rights and obligations provided for under the Data Protection Acts. Where personal data has been provided as part of the registration process, consent is sought for that data to be shared with organisations seeking a reference on the registrant. PhonepayPlus may, in addition, need to share such data to further its Code obligations or as a consequence of its duties as a public body.
45. Where PhonepayPlus works with a third party data processor it will ensure it obtains confirmation from the processor that it too will comply with the requirements of the Data Protection Acts.
46. Confidential information that is received by PhonepayPlus will be kept in confidence by PhonepayPlus, and will not be divulged to any third party. Confidential information includes both confidential and commercially sensitive information, that is marked as such or otherwise assessed by PhonepayPlus as such on an objective basis.
47. PhonepayPlus may disclose confidential information to its employees, officers, professional advisors, and to Ofcom or other proper authority, for the purposes listed below. In all other cases, PhonepayPlus will not make any disclosures without consent, provided that when consent is sought, it will not be unreasonably withheld, and that there will be no unreasonable delay in reaching a decision as to whether to grant consent to disclosure.
48. PhonepayPlus may divulge confidential information if it is necessary for it to do so in order to discharge its responsibilities under the Code. Confidential information may also be disclosed to third parties that is already lawfully in the public domain or has become lawfully available from a third party free from any confidentiality restriction.
49. Confidential information may also be disclosed in response to a request from a regulator or other lawful authority, or shared with law enforcement agencies for the purposes of investigating fraud or other criminal offences.

50. PhonepayPlus has adopted a policy in relation to the management and use of personal data and confidential information by its employees, which implements the provisions set out above.

K Stakeholder Engagement

51. PhonepayPlus is not subject to the Freedom of Information Act 2000, but by choice and policy it endeavours to comply with the principle of transparency, and with best practice as to access to its non-confidential materials. Some categories of information, by the very nature of the PhonepayPlus regulatory remit, are not accessible by the public but in accordance with the recommendations of the Information Commissioner's Office, PhonepayPlus has issued a Publication Scheme that is accessible via its website. This lists the documents that are made freely available to the public as to the activities, funding and budgetary arrangements, strategy, decision making processes, and policies and procedures of PhonepayPlus.

52. We have six key stakeholder groups to whom we have specific responsibilities. These are

- i. Consumers and those who represent them
- ii. Government and other regulators/enforcement bodies
- iii. Industry
- iv. Legislators/Parliamentarians
- v. Media
- vi. Ofcom

53. We acknowledge that despite the different perspectives and needs of these different stakeholder groups, there are some general requirements and needs that all stakeholders share. These are:

- i. clarity of purpose –we develop and enforce a Code of Practice and support industry with compliance; we assist consumers in a variety of ways through education, information and have a public service responsibility to assist in building trust in PRS; we provide support to other stakeholders as outlined below;
- ii. responsiveness to needs – we recognise the needs of stakeholders and find ways that best respond to them in a timely and efficient manner, which is practical and consistent with good regulation;
- iii. a professional approach – which we adopt in all our dealings with all stakeholders;
- iv. impartiality – we draw on objective information and evidence in support of the decision we reach, and have a governance structure that ensures we remain impartial in all decision-making;
- v. operating in a way that engenders the principles of good regulation – we are accountable, proportionate, targeted, transparent and consistent in all that we do.

54. We are committed to public consultation on matters affecting the design and application of regulation, and in undertaking consultations we have regard to the Government Code of Practice on Consultation and the seven consultation criteria recommended by the Code. In most circumstances we will consult for a period of 12 weeks but sometimes a consultation period of less than 12 weeks may be appropriate. We will try to avoid this wherever possible. In those cases we will usually aim to allow five weeks. However, the time may vary depending on the issue.
55. Consultations may be shorter than 12 weeks if:
- i. the issue or community involved is small or only affects a particular group which has been identified ahead of time;
 - ii. a proposal will have a limited effect on a market;
 - iii. a proposal is only a limited amendment to existing policy; or
 - iv. an issue needs to be looked at urgently;
 - v. where re-consultation takes place on the basis of amendments made in the light of earlier consultation.
56. Where a consultation period is less than 12 weeks we will highlight this in the consultation document and we will also explain our reasons for this and the extra efforts taken to ensure that the consultation is as effective as possible.
57. In our consultations we have committed to ensure that consideration is given to:
- i. identifying opportunities for reducing bureaucracy and regulatory burdens, for example the simplification or withdrawal of existing regulations.
 - ii. conducting an impact assessment, whenever possible and practical, highlighting the potential costs, benefits and risks of the proposal.
 - iii. developing feasible alternatives to regulations, and to encouraging respondents to suggest alternatives when responding to the consultation exercise.
 - iv. the prospect of unintended consequences of the proposal and the perspective of respondents to such consequences.
 - v. analysing the practical enforcement and implementation issues of our policy, especially in the light of views from respondents as to alternative approaches to implementation.
58. PhonepayPlus is also committed to working closely with stakeholders in industry, to ensure that there is a full and open dialogue as to market developments and a common understanding as to the interests of consumers. To that end it has established an advisory liaison panel with industry (ILP) to identify emerging trends and issues in the market, and to facilitate a two-way communication with the industry. The relationship exists to ensure regulation is well informed through early sharing of concerns, information, ideas and proposals from both sides. Membership of the ILP comprises representatives primarily from

a number of trade associations and industry based organisations, together with a nominee from Ofcom.

59. It is intended that this Governance Statement should be periodically reviewed, at which time comments received by PhonepayPlus from stakeholders, as to improvements to its scope and content, will be taken into account.

PART II – Funding, budgets and levy

L. Funding arrangements

60. PhonepayPlus receives its 'income' from a funding levy from industry, charged on premium rate service providers only. The rate of levy is reduced by monies received from a variety of sources, including interest accruing on monies held by it, and fines and administrative charges. The levy is collected (or withheld) by terminating networks from their out-payments to service providers.
61. The levy is a flat percentage charge on activity. The levy rate is announced annually following extensive consultation with the industry and other stakeholders regarding the Business Plan and Budget to be allocated to PhonepayPlus for its operations. The size of the levy is determined by a range of factors beyond the PhonepayPlus annual budget, such as the size of the current market, the income received from bank interest, and the contribution made from prior receipts of fines and administrative charges.
62. The forecast made of the overall market is based on confidential forecasts from each network on their expected business levels.
63. Levy is collected by standing order or direct debit for established networks, and paid quarterly in arrears based on actual turnover for a small number of new and small networks. In making levy payments, Networks are acting in the capacity of a collection agency. They are not liable financially for their own activity in the marketplace, but can be personally liable under the PhonepayPlus Code to the extent that they fail to deduct levy from outpayments.
64. At the end of each year PhonepayPlus reviews and compares actual business against original forecasts. If the actual overall market size exceeds forecast size, then PhonepayPlus will receive more levy than was forecast - and thus more than is necessary to meet budgeted expenditure. PhonepayPlus is then under a duty to make any necessary refunds. Equally, if the actual market size is below forecast, the levy rate will not raise sufficient income to meet budgeted expenditure.
65. The extent to which there is a levy surplus or shortfall is one of the variables PhonepayPlus must address in planning its activity and its requirement for levy funding in the coming year. A serious shortfall could result in the need to revise PhonepayPlus spending plans and/or increase the levy rate during the financial year. On the other hand an overly conservative approach to forecasting and levy-setting could result in excess income for re-distribution in the coming year or years.
66. The levy processes are contained in the Code

M. Payment arrangements

67. PhonepayPlus advises each network operator of the total amount that the network operator is expected to collect in the forthcoming financial year by the application of the levy. This contribution is based on its forecast outpayments for the forthcoming year.
68. Contributions are calculated by multiplying forecast outpayments for the forthcoming year by the applicable levy rate (e.g. £1,000,000 x 0.XX).

69. Payment of contributions must be made to PhonepayPlus by 12 equal monthly instalments payable by the last day of each month commencing on the following 31st March. Wherever possible, payments are arranged by electronic transfer.
70. Where a network operator has only just started trading and is unable to forecast its prospective outpayments, its payments to PhonepayPlus will be calculated each month during the balance of the first year of service provision by multiplying its actual outpayments by the applicable levy.
71. Levy payments are subject to VAT.
72. Network operators must report quarterly to PhonepayPlus on the actual levels of outpayments that they are making, as soon as is reasonably practicable following 30th June, 30th September, 31st December and 31st March in each year.
73. Network operators may, in exceptional circumstances, seek PhonepayPlus' agreement to a recalculation of their forecasts and the consequential payments required of them.
74. Network operators are liable to pay interest on late payments to PhonepayPlus as prescribed by the Code.
75. At the end of each year, network operators must provide PhonepayPlus with a statement of the actual aggregate outpayments that they have made, and the revenue that they have received in their capacity as a network operator during the preceding year. This enables the adjustments referred to above to be made.

N. Audit arrangements

76. The auditors of PhonepayPlus have the power to request from a network operator direct confirmation of the actual level of outpayments it made, and the actual revenue it retained, in respect of premium rate services it supplied as a network operator during any relevant period. Confirmation is made by way of an audited statement that must be provided within a specified time period.
77. Network operators will not be subject to an audit request more than once in every four years - except where previous audited statements have revealed significant inconsistencies, or where information provided to or obtained by PhonepayPlus or its auditors may give cause for concern.
78. A network operator or its auditors must, on request, supply such further information and/or explanation as may be necessary for the PhonepayPlus auditors to satisfy themselves as to the accuracy of the figures supplied.
79. If an auditors' report indicates that the actual outpayments made by a network operator during the relevant year were different from those declared to PhonepayPlus, the Auditors will make such adjustments to a network operator's levy contributions, under the detailed provisions of the Code.

Schedule 1

Reserved powers of the Board

1. Ensuring that high standards of corporate governance are observed at all times, and determining the policies underpinning PhonepayPlus' risk management framework.
2. Establishing the overall strategic direction and final approval of the strategy of PhonepayPlus and determining priorities and supporting procedures for implementing strategy. Making recommendations to Ofcom regarding the most appropriate approach in policymaking.
3. Ensuring that the Board operates within the limits of its statutory authority and in accordance with any other conditions relating to the use of public funds.
4. Establishing Committees to deal with certain aspects of the business of the Board, and setting and amending the terms of reference of such committees.
5. Subject to the framework agreement between Ofcom and PhonepayPlus, appointing independent persons from outside of PhonepayPlus to sit on a Code Compliance Panel for a period of not more than 5 years.
6. Ensuring mechanisms are in place for adjudication of suspected breaches of the Code.
7. Appointing a Chief Executive to PhonepayPlus, and delegating to the Chief Executive the management of day to day operational and relationship issues.
8. At least once each year, monitoring the work and performance of the PhonepayPlus executive team and staff.
9. Recommending to the Company in general meeting the appointment, reappointment or removal of the auditors of the Company, and setting and agreeing changes to the accounting policies of the Company.
10. Final approval of recommendations to Ofcom for Code changes, and of supporting consultations and associated documents.
11. Final approval of the Annual Accounts and Business Plan of PhonepayPlus.
12. Final approval of budgeted income and capital expenditure levels for PhonepayPlus.
13. Decisions affecting anything outside the ordinary course of the activities of PhonepayPlus as set out in its Memorandum of Association.