

# **BOARD OF GENTOO DEVELOPMENTS LIMITED**

## **TERMS OF REFERENCE**

**APPROVED BY GROUP BOARD: 22 FEBRUARY 2017**

**EFFECTIVE FROM: 1 APRIL 2017**

**GENTOO DEVELOPMENTS LIMITED ("the Company")**

**TERMS OF REFERENCE**

**Effective 1 April 2017**

**DEFINITIONS AND INTERPRETATION**

1.1. In these Terms of Reference, unless the context otherwise requires:

<b>"Appointments and Remuneration Committee"</b>	means the appointments and remuneration committee of Gentoo Group Limited
<b>"Board"</b>	means the board of directors of the Company
<b>"Committee"</b>	means any other standing committee set up by the Group Board
<b>"Company Secretary"</b>	means the secretary of the Company
<b>"Constitution"</b>	means the Memorandum and Articles of Association of the Company
<b>"Executive Team"</b>	the senior executives of the Company
<b>"Group"</b>	means Gentoo Group Limited, and each of its wholly owned subsidiaries
<b>"Group Board"</b>	means the board of Gentoo Group Limited
<b>"Governing Instruments"</b>	means the policies and procedures imposed upon members of the Group by agreement or resolution relating to the management and operation of the Company
<b>"Independent Member"</b>	as defined in the Rules and Terms of Reference of Gentoo Group Limited
<b>"Members"</b>	means the non-executive board members of the Company
<b>"Risk &amp; Audit Committee"</b>	means the Risk and Audit committee of Gentoo Group Limited

**PURPOSE**

2.1. The Board is responsible for the overall control of the Company, including the monitoring of certain of the Group's development schemes and land transactions, the Company's commercial development performance and the deployment of its resources. The Board aims to ensure that the Company operates effectively within the terms of the Constitution and the Governing Instruments, promotes the interests of the Company and the Group and upholds the Group's vision and values.

- 2.2. The directors of the Company shall act at all times in the best interests of the Company and comply with the directors duties as set out in the Companies Act 2006 (ss171-177) in achieving the aims of the Company.
- 2.3. The Board shall have a formal and transparent procedure for developing policies for considering and delivering projects and for reporting to the Group on such projects and on other matters including risk and finance issues delegated to it by the Group.

### **BOARD MEMBERSHIP**

- 3.1. Members shall be appointed by Group acting as sole member of the Company upon the recommendation of the Appointments and Remuneration Committee.
- 3.2. The Appointments and Remuneration Committee will make its recommendations based on the knowledge, skills and experience of those assessed alongside the requirements of the Company's skills matrix as approved by the Group Board.
- 3.3. The Board shall be made up of at least three Members and no more than five.
- 3.4. The Board shall be made up of not less than three Non-Executive Directors. At least one Member of the Board shall be an Independent Member selected from amongst the boards of each of Gentoo Group Limited and Gentoo Homes Limited.
- 3.5. Appointments to the Board shall be for a period of up to three years in the first instance, which may be extended for a further period of up to three years. Appointments for a third term shall be considered exceptional and will be subject to scrutiny by the Appointments and Remuneration Committee.
- 3.6. The Group Board may appoint the Company's Chair from amongst the directors of the Company.
- 3.7. In the absence of an appointed Chair the remaining directors present shall elect one of their number to chair meetings of the Board.
- 3.8. The directors of the Company shall, in making their decisions, have regard to the duty of all directors to promote the long-term success of the Company for the benefit of its members as a whole, and in doing so the directors shall have regard (amongst other matters) to:-
  - 3.8.1. the likely consequences of any decision in the long term;
  - 3.8.2. the interests of the Company and the Group's employees;
  - 3.8.3. the need to foster the Company and the Group's business relationships with suppliers, customers and others;
  - 3.8.4. the impact of the Company and the Group's operations on the community and the environment;
  - 3.8.5. the desirability of the Company and the Group maintaining a reputation for high standards of business conduct.

#### 4 **SECRETARY**

The Company Secretary of Gentoo Developments Limited shall be appointed by Gentoo Group Board. The Company Secretary shall act as the secretary to the Board.

#### 5 **QUORUM**

Notwithstanding the provisions of the Constitution the quorum of the Board necessary for the transaction of business shall be three directors. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.

#### 6 **FREQUENCY OF MEETINGS**

The Board shall meet at least once a year and at such other appropriate times necessary to properly discharge its functions and will co-ordinate its activities, reporting and discussions with the Group's reporting cycle.

#### **NOTICE OF MEETINGS**

- 4.1. Meetings of the Board shall be called by the Company Secretary at the request of any of the directors, or at the request of external or internal auditors, or Gentoo Group Limited if they consider it necessary.
- 4.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each director and any other person required to attend, no later than 7 calendar days before the date of the meeting. Supporting papers shall be sent to directors and to other invitees as considered appropriate, at the same time.

#### **MINUTES OF MEETINGS**

- 5.1. The Company Secretary shall minute the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance.
- 5.2. The Company Secretary shall ascertain, at the beginning of each meeting the existence of any conflicts/declarations of interest and minute them accordingly. Minutes of board meetings shall be approved by the Chair.

#### **ROLE OF THE COMPANY**

Within the Group the Company is expected where agreed with Gentoo Group Limited or Gentoo Homes Limited to undertake the following functions:

- 6.1. To monitor the delivery of private property development schemes for sale on the open market including sales/lettings on behalf of (and with the authority of) the Group given via Gentoo Homes. Reviewing the approach to the monitoring and delivery of projects in accordance with good industry practice and otherwise against the reporting and project management arrangements set for the relevant project at the outset or as subsequently approved by the Board or required by Gentoo Group Limited or Gentoo Homes Limited including reporting via relevant operational Managers and independent consultants as required.

- 6.2. Recommend to Gentoo Homes Limited a review of project plans and schemes should resources and timeframes go beyond targets.
- 6.3. To develop land on behalf of the Group as identified and agreed with Gentoo Group Limited.
- 6.4. To comply with the terms of grants and loan agreements (subject to the Company becoming a borrower) and other funding arrangements to which the Company is a party.
- 6.5. Monitor the works and services undertaken by it and others in relation to a project for which it is responsible and for which authority has been given by Gentoo Group Limited in accordance with good industry practice and otherwise in accordance with arrangements required by them.

### **REPORTING RESPONSIBILITIES**

- 7.1. The Chair shall either directly, or via any director on the Group Board nominated by the Board for such purpose, report formally to the Group Board on its proceedings at least annually on all matters within the scope of its duties and responsibilities.
- 7.2. The Board shall make recommendations to the Gentoo Homes Limited and other Group companies on any area within its remit where action or improvement is in its opinion needed.
- 7.3. The Board shall ensure that it monitors and reports to stakeholders on relevant projects in accordance with good industry practice.

### **OTHER MATTERS**

The Board shall:

- 8.1. ensure that it has access to sufficient resources in order to carry out its duties, including access to the Executive Team for assistance;
- 8.2. ensure that it is provided with appropriate and timely training, both in the form of an induction programme for new directors and a continuous training programme for all directors;
- 8.3. at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Group Board for approval;
- 8.4. review the Company's risk register and arrangements for risk management at least quarterly;
- 8.5. implement the Risk & Audit Committee's recommendations and requirements with regard to the Company's risk management and audit programme and to report back to the Risk & Audit Committee accordingly.

### **AUTHORITY**

The Board is authorised by the Group:

- 9.1. to seek any information it requires from any employee of the Company and the Group in order to properly and effectively perform its duties;

- 9.2. to obtain, at the Company's expense, outside legal or other professional advice on any matter within these terms of reference or its Constitution.

