

## Gentoo Group Board

### Terms of Reference

<b>Number of members</b>	Maximum of 12 Members.
<b>Membership</b>	<p>The Board shall consist of:</p> <ul style="list-style-type: none"> <li>• One Resident Board Member</li> <li>• Two Council Board Members</li> <li>• Up to nine Independent Board Members</li> </ul> <p>The number of Members who are Local Authority Persons shall not exceed one third of the total number of Board Members. The number of Members who are Residents shall not exceed one third of the total number of Board Members.</p>
<b>Quorum</b>	Three Members which shall include at least one Independent Member. The only business which an inquorate meeting of the Board may conduct is to set a date for the next meeting.
<b>Frequency of meetings</b>	<p>The Board shall meet at least six times a year.</p> <p><u>Annual General Meeting</u></p> <p>An Annual General Meeting shall be held each year no more than six months after the close of the financial year. It shall:</p> <ul style="list-style-type: none"> <li>• Receive the annual report. The annual report shall contain: <ul style="list-style-type: none"> <li>- The revenue accounts and balance sheets for the last accounting period</li> <li>- The auditor's report on those accounts and balance sheets.</li> <li>- The Group Board's report on the affairs of the Association</li> </ul> </li> <li>• Appoint the External Auditor</li> <li>• Elect (or re-elect) Board Members if applicable</li> <li>• Transact any other business of the Association as set out in the notice, including those specified by the External Auditors.</li> </ul>
<b>Appointment of members</b>	<ul style="list-style-type: none"> <li>• Initial term of three years unless the Board agrees a lower number.</li> <li>• Second fixed term of three years, unless the Board agrees a lower number.</li> <li>• After the 6th year, re-appointed on an annual basis up to a maximum of nine years in total. These 'exceptions' must be in the best interests of the Association and be approved by Group Board.</li> <li>• Time served on predecessor or subsidiary boards or committees, including service as a co-optee, will be counted in the maximum terms of office.</li> <li>• Within the Group's Succession Planning, there should not be more than three term-limit exceptions (planned or in place) within the Plan.</li> <li>• Members who leave the Group Board, should not be re-appointed for at least three years.</li> </ul>
<b>The Chair</b>	The Board shall appoint a Chair and, if required, a Vice Chair who shall be Independent Members. In the absence of the Chair and/or Vice Chair, the remaining Members present shall elect one of themselves to chair the meeting.
<b>Reporting</b>	Minutes of Board meetings shall be agreed by the Chair and circulated to all Members.

## 2 Matters Reserved for the Group Board

- 2.1 The Board may exercise all the powers of the Group except those which must be exercised in a General Meeting. As a consequence, the Board is responsible for exercising control over all aspects of the Group’s work and has a duty to ensure that it’s financial, legal, statutory and other responsibilities are properly fulfilled. To this end, the Board will receive regular reports from its Standing Committees, subsidiary boards and from the Executive Team, who act under delegated authority from the Board.
- 2.2 The Board does not have the authority to amend the Association’s Rules. It does have authority to call a General Meeting at which a rule change may be proposed.
- 2.3 The Board has formally adopted the National Housing Federation’s (NHF) Code of Governance 2020. The Board’s reserved powers are set out below:
- 2.4 The Group Board will:

<b>Matters Reserved for Group Board</b>	
<i>Strategy and Management</i>	<ul style="list-style-type: none"> <li>• Set and ensure compliance with the Group’s vision, and values.</li> <li>• Develop, approve and monitor the performance of the Group’s Corporate Strategy, including strategic aims, objectives (financial and non-financial) and business plans of the Group (including trading subsidiaries) and ensure an adequate system of internal control and risk management.</li> <li>• Set a positive culture, focused on the needs of current and future tenants, other customers and key stakeholders, which embeds equality, diversity and inclusion into the organisation.</li> <li>• Ensure that the Group operates efficiently, effectively and economically.</li> <li>• Approve the 30-year Business Plan.</li> <li>• Approve the creation, purchase or dissolution of new Group entities to include a review of the benefits, risks and relationship with the parent.</li> <li>• Approve joint ventures and strategic partnerships and ensure there are formally documented arrangements with regards to accountability, performance, compliance, risk management and governance.</li> <li>• Approve the extension or withdrawal of the Group’s activities into new business or geographic areas having regard for the impact on viability and regulatory compliance.</li> <li>• Provide oversight, support, direction and constructive challenge to the Group’s Executive Team.</li> <li>• Provide oversight of the Group’s operations ensuring:               <ul style="list-style-type: none"> <li>○ Competent and prudent management.</li> <li>○ Sound planning.</li> <li>○ An adequate system of internal control.</li> <li>○ Adequate accounting and other records.</li> <li>○ Social housing assets are protected, and regulatory compliance is maintained.</li> </ul> </li> <li>• Take all other decisions on all matters that might create significant financial or other risk to the Group, or which raise material issues</li> </ul>

	of principle.
<i>Structure and Capital</i>	<ul style="list-style-type: none"> <li>• Approve major changes to the Group's corporate, management and control structures.</li> <li>• Approve major capital projects.</li> <li>• Approve changes to the legal status of any entity within the Group (subject to approval of Shareholders where applicable).</li> </ul>
<i>Financial Reporting and Controls</i>	<ul style="list-style-type: none"> <li>• Approve the Business Plan including long term cash flow projections and capital structure (following advice from the Executive Director of Finance confirming funding lines are in place in sufficient time) and ensure that they effectively identify and manage any risks of re-financing.</li> <li>• Approve the annual budget (including subsidiaries, investment plan, asset management delivery plan, rent policy, annual rent plan) and conduct reviews.</li> <li>• Approve the annual report and accounts, satisfying itself as to the integrity of financial information, including but not limited to the certification of compliance with RSH Governance and Financial and Viability Standard and the adopted Code of Governance.</li> <li>• Approve the approach for Value for Money.</li> <li>• Approve the appointment of external auditors (or recommend the appointment of an external auditor by resolution to a General Meeting of the Shareholders) (Rule F3).</li> <li>• Approve the Treasury Policy and Treasury Plan, including all additional borrowing.</li> <li>• Approve the Financial Regulations.</li> <li>• Approve additional financial resource requirements of the Group's trading subsidiaries received outside the normal budgetary/business planning cycle.</li> <li>• Approve all borrowings for periods exceeding 12 months in the pursuance of the Group's objectives.</li> <li>• Agree any appropriate charge against the Group's assets whilst maintaining any compliance requirements.</li> <li>• Ensure the Association's assets are protected including the maintenance of adequate insurance cover.</li> <li>• Approve each quarterly or other financial forecast submitted.</li> </ul>
<i>Risk &amp; Internal Controls</i>	<ul style="list-style-type: none"> <li>• Establish and ensure sufficient oversight and maintenance of a sound system of internal control and risk management, in order to safeguard the assets, compliance and reputation of the organisation, including: <ul style="list-style-type: none"> <li>○ Review the effectiveness of the Group's business planning, risk and control framework and process to support its strategy and objectives and decision making.</li> <li>○ Undertake an annual assessment of these frameworks.</li> </ul> </li> <li>• Approve the internal controls statement for inclusion in the annual report.</li> <li>• Approve the Group's risk management framework and risk appetite, including the risk assessment methodology.</li> <li>• Have oversight of the Group's key risks and ensure they inform decision making and business planning.</li> <li>• Approve the Health &amp; Safety Policy and framework.</li> <li>• Provide the Group's internal audit provider with full, free and unrestricted access to the organisation's records, properties and personnel.</li> <li>• Receive an annual report from the Risk and Audit Committee on internal control and issues including the external auditor's</li> </ul>

	<p>management letters.</p> <ul style="list-style-type: none"> <li>• Approve the annual fraud report.</li> </ul>
<i>Contracts and Asset Management</i>	<ul style="list-style-type: none"> <li>• Approve major capital projects outside of the business planning process.</li> <li>• Approve the acquisition of land and property that is not acquired as part of the Affordable Homes Plan (for Gentoo Group Limited).</li> <li>• Approve all other contracts over £5m that are not entered into as part of the Affordable Homes Plan.</li> <li>• Approve the disposals of fixed assets with a net book value greater than £250,000.</li> <li>• Approve the disposal of any social housing asset.</li> <li>• Approve major investments including the acquisition or disposal of interests of more than 5 percent in the voting shares of any company/entity or the making of any takeover offer.</li> </ul>
<i>Development (Gentoo Group Schemes)</i>	<ul style="list-style-type: none"> <li>• Approve any financial scheme appraisal model.</li> <li>• Approve the scope and scale of any grant funded development programme and any individual bids for grant funding that are not part of the Affordable Homes Plan.</li> <li>• Approve individual projects in a grant funded development programme where these are above levels permitted in the Delegated Authorities or otherwise requiring Board authority by the grant making body.</li> <li>• Approve all developments and all associated projects.</li> <li>• Approve development project feasibility criteria.</li> <li>• Approve the purchase of land and land options where greater than levels permitted within the Delegated Authorities and Financial Regulations.</li> </ul>
<i>Board Membership and Other Appointments</i>	<ul style="list-style-type: none"> <li>• Approve changes to the structure, size, quorum and composition of the Board, following recommendations from the People Committee (subject to amendment of Rules requiring authorisation of the Shareholders).</li> <li>• Approve and ensure the maintenance of succession plans for the Board and senior management.</li> <li>• Approve and ensure the maintenance of skills matrices for all Group boards and committees.</li> <li>• Approve the appointments and re-appointments of Executive Directors to boards following nomination by the Group Chief Executive Officer.</li> <li>• Approve the selection, appointment and re-appointment of the Group Chair and the Vice Chair on the recommendation of the People Committee (<i>Rules E1 – E2</i>).</li> <li>• Approve the appointment and re-appointment of Board Members and Chairs to all boards and committees on the recommendation of the People Committee and any associated role descriptions (<i>Rules D11 – D17</i>). This includes the continuation in office of Members at the end of their term of office, when they are due to be re-elected at the Annual General Meeting and otherwise as appropriate (<i>Rule D34</i>).</li> <li>• Approve the appointment and terms of employment (and changes) of the Chief Executive Officer and Executive Team. (<i>Rule E6</i>)</li> <li>• Approve if necessary, the dismissal of the Chief Executive Officer, ensuring that the reasons, costs and any reputational risks are considered.</li> <li>• Approve the appointment or removal of the Secretary (<i>Rule E7</i>) and Head of Internal Audit function or provider if the Internal Audit</li> </ul>

	<p>function is outsourced and for setting the remuneration and terms of appointment of the Head of Internal Audit provider if the Internal Audit function is outsourced.</p> <ul style="list-style-type: none"> <li>• Approve the appointment, reappointment or removal of the external auditor, and approval of the annual External Audit Management Letter following the recommendation of the Risk and Audit Committee (<i>Rule F1</i>).</li> </ul>
<i>Remuneration</i>	<ul style="list-style-type: none"> <li>• Approve the salary and benefits of the Chief Executive Officer and Executive Team Members as recommended by the People Committee.</li> <li>• Approve the remuneration of the Group Chair and Non-Executive Group Board Members, subject to the Rules and the Codes of Governance and Conduct and receive recommendations from the People Committee and any other appropriate source e.g. external consultants.</li> <li>• Approve any changes to the remuneration package of the Chief Executive, Executive Team, Group Chair and Non-Executive Board Members.</li> <li>• Ratify all redundancy payments of £50,000 or above for an individual, including strain on the pension fund payments.</li> <li>• Ratify all ill health retirement requests where there is a strain on the pension fund payment or a financial impact on the pension fund of £50,000 or above.</li> <li>• Ratify compensatory payments of £50,000 or above made as part of any settlement agreement (not related to redundancy), includes all contractual payments made excluding salary.</li> <li>• Approve requests for employees to receive professional advice.</li> <li>• Ratify the annual pay award.</li> </ul>
<i>Delegation of Authority</i>	<ul style="list-style-type: none"> <li>• Approve the matters to be reserved to the Board and to create division of responsibilities and delegations between the Group Chair, the Chief Executive Officer and Executive Team, specific Group entities, Committees, Officers, Working Groups and colleagues.</li> <li>• Approve the terms of reference for Group boards and committees.</li> </ul>
<i>Corporate Governance Matters</i>	<ul style="list-style-type: none"> <li>• Ensure appropriate oversight of the activities of all Group entities to ensure the effectiveness of and compliance with governance arrangements. This includes ensuring that appropriate intra-group, procedural and service level agreements are in place within the Group and that these are monitored to ensure compliance and satisfactory performance.</li> <li>• Ensure compliance with the Regulatory Framework, adopted Code of Governance and Code of Conduct.</li> <li>• Hold the subsidiary boards accountable for delivery of their objectives.</li> <li>• Satisfy itself that the Group's affairs are conducted lawfully and in accordance with generally accepted standards of performance and probity.</li> <li>• Approve resolutions to be put forward by the Group Board at a General Meeting.</li> <li>• Approve the admittance of new shareholders to Gentoo.</li> <li>• Resolve any disputes between Group entities.</li> <li>• Approve board and committee skills matrices and succession plans.</li> <li>• Review the arrangements for board and committee member appraisals.</li> </ul>



	<ul style="list-style-type: none"> <li>• Ensure adequate arrangements are in place for board and committee training and development.</li> <li>• Undertake a formal and rigorous review annually of its own performance, that of its committees both as a collective and individual Board Members, including a more formal review with external support at least every two years.</li> <li>• Review of the Group’s overall corporate governance arrangements and the effectiveness of how its business is conducted ensuring compliance with statutory and regulatory obligations including:             <ul style="list-style-type: none"> <li>○ How the Code of Governance is applied to each Group entity.</li> <li>○ Governing instruments, delegations, regulations, structures and other formal documentation.</li> <li>○ The timing and frequency of meetings.</li> <li>○ The format of the agenda, papers, minutes and communications.</li> <li>○ Compliance with the Code of Governance and legal duties.</li> </ul> </li> </ul>
<i>Policies</i>	<ul style="list-style-type: none"> <li>• Approval of all Grade 1 policies, including:             <ul style="list-style-type: none"> <li>○ Key People Policies.</li> <li>○ Allocations and Rent Policies.</li> <li>○ Codes of Governance/Conduct.</li> <li>○ Health and Safety Policy.</li> <li>○ Landlord Compliance Policy.</li> </ul> </li> </ul>
<i>Other</i>	<ul style="list-style-type: none"> <li>• Approve the making of political donations.</li> <li>• Approve the appointment of the Group’s principal professional advisers (Internal Audit, External Audit).</li> <li>• Agree to the prosecution, defence or settlement (above £25,000) of litigation, material to the interests of the Group.</li> <li>• Receive a report on the overall levels of insurance for the Group including Members’ and Officers’ liability insurance and indemnification of Members.</li> <li>• Review the performance of the Group’s pension plans.</li> <li>• Review the valuation of the Group’s pension plan every three years.</li> <li>• Approve major changes to the rules of the Group’s employment terms and conditions and pension scheme arrangements, including changes to, creation and closure of pension plans/schemes.</li> <li>• Ratify changes to Group HR policies or practices where the change enhances or reduces employee remuneration, entitlements, benefits or terms and conditions of employment.</li> <li>• Approve this schedule of matters reserved for Board decisions.</li> <li>• Approve the Assets and Liabilities Framework.</li> <li>• To receive the annual report of the Chair of the Risk and Audit Committee which should include commentary on but not limited to:             <ul style="list-style-type: none"> <li>○ Satisfaction with the framework to maintain the Group’s assets and liabilities register.</li> <li>○ Compliance with laws and regulation.</li> <li>○ Process and outcome of stress testing.</li> </ul> </li> <li>• Approve the scheme of delegation and terms of reference of its subsidiary boards and committees.</li> <li>• Approve offers of social housing to Board Members, Executive Team Members, Senior Leadership Team Members or close connection of theirs.</li> <li>• Approve an application for employment from a person who has a close connection with a Board Member or Executive Team member to progress to shortlisting and interview.</li> <li>• Approve incentive/reward payments to tenants.</li> </ul>

	<ul style="list-style-type: none"><li>• Approve the sale of Gentoo Homes properties or other Group land or assets to a Board Member or an Executive Team member or a person to whom they have a close connection with.</li><li>• Approve the lease of a rental property to a Member of the Board or Committee, Executive Team or Senior Leadership Team or a person to whom they have a close connection with.</li><li>• In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.</li></ul>
--	---