

## **TERMS OF REFERENCE OF THE BOARD**

*The board is established under Part E of the NHF's Articles of Association, which establishes the duties of the Board as set out below. Members of the Board are directors of the company in law*

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### **Role**

The board creates the strategic context and environment for the National Housing NHF. It is responsible for the overall mission, direction and strategy of the National Housing NHF and its subsidiaries. It establishes and oversees a satisfactory control framework to enable risks - financial, political reputational etc to be assessed and managed so that the executive and the business can operate effectively. The board will ensure that adequate resources, financial and human, are available for the business of the NHF to meet its objectives. In doing this the board will demonstrate its accountability to its shareholders, the members of the NHF.

The board complies with its Articles of Association (2022) and the Companies Act 2006, which has codified the key fiduciary duties of company directors which are:

- To act within powers.
- To promote the success of the company.
- To exercise independent judgement.
- To exercise reasonable care, skill and diligence;
- To avoid conflicts of interest.
- Not to accept benefits from third parties.
- To declare any interest in a proposed transaction or arrangement.

The Chair will ensure that the board performs its tasks effectively and will work with the Nominations, Remuneration and Governance Committee of the board whose prime role will be to act as the remuneration committee and ensure that the board meets its strategic objectives and liaises with key stakeholders. The board will be supported by members of the NHF's Leadership Team, including the Chief Executive who will be responsible for planning and meeting the NHF's strategic objectives as set and agreed by the board. In addition to the duties set out below, the board may, from time to time, have involvement in the implementation of NHF policies.

### **Duties**

The main functions of the board, including those duties that are reserved for the board, are set out at article 35 of the NHF's Articles of Association 2022, reproduced here:

#### ***Functions of the board (from the Articles of Association 2022)***

**35.1** The board shall direct the affairs of the NHF and without prejudice to the generality of the foregoing, amongst its functions shall be to:

- (1) ensure compliance with the values, vision, mission and strategic objectives of the NHF ensuring its long-term success
- (2) demonstrate accountability to all members
- (3) set the strategic direction of the NHF and be custodians of its culture
- (4) agree policies, plans and budgets;
- (5) set the obligations of members and associates to pay membership fees;

- (6) approve each year's accounts and annual reports prior to publication and receipt by the general meeting;
- (7) agree policies and make decisions on all matters that create significant financial risk to the NHF or which affect material issues of principle;
- (8) establish and oversee a framework of delegation and systems of control;
- (9) monitor the NHF's performance in relation to these plans, budget controls and decisions;
- (10) appoint (and if necessary, remove) the chief executive;
- (11) satisfy itself that the NHF's affairs are conducted in accordance with the law and generally accepted standards of conduct and probity;
- (12) establish and monitor a mechanism for communicating and receiving feedback from the members;

and none of these functions shall be capable of delegation.

**35.3** In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the articles the board shall have the following powers, namely:

- (1) to expend the funds of the NHF in such manner as it shall consider most beneficial for the achievement of the objects;
- (2) to invest in the name of the NHF such part of the funds as it may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objects of the NHF;
- (3) to enter into contracts on behalf of the NHF;
- (4) to set up or sponsor subsidiary companies, Industrial and registered societies or other corporate bodies to assist in the achievement of the objects of the NHF;
- (5) to delegate, in writing, the exercise of any of its powers to any committee or committees, officer or officers or employee or employees of the NHF. Such delegation may include any of the powers of the board except those functions set out in article 35.1 and any specified to be non-delegable. Such delegation shall be subject to such terms as the board determines, and may include a requirement for the board to receive reports, from time to time, and in appropriate form, on the exercise of powers delegated; and
- (6) to make rules as necessary or convenient for the proper conduct and management of the NHF, provided always that such rules do not conflict with or repeal anything contained in the articles. In particular but without prejudice to the generality of the foregoing, such rules may regulate generally all such matters as are commonly the subject matter of company rules and standing orders.

The board has a duty to maintain a strong working relationship with the Chief Executive and Leadership team and in addition to the duties set out above, the board reserves to itself the duties set out in the Standing Orders & Delegations matrix:

## **General**

### **Delegation**

The board delegates responsibility to the NHF's Chief Executive for all operational matters in line with the Delegations Matrix approved by the board.

The board may establish (and disband) such committees and working groups as it sees fit and delegate authority to them, agreeing their terms of reference and scope of activities. Currently, the board has established an Audit and Risk Management Committee and Nominations Remuneration and Governance Committee to carry out specific delegated tasks and to report back as necessary or with recommendations for board decision.

The Chair, and members of the board, may be called upon to hear staff appeals in line with the current grievance and complaints policy.

### **Accountability**

The board is accountable to the NHF's members. It will provide, in the Directors' report to the annual accounts, a review of operations in the year, an overall statement on accountability, overview of its key responsibilities and a statement covering its compliance with a code of governance.

### **Meetings**

The board shall meet no less than three times a year.

### **Quorum**

A quorum shall consist of three, Non-Executive members of the board.

### **Operational arrangements**

The board is committed to being open and transparent in its working and will ensure that NHF members have access to information about its own activities and decisions made. This is delegated to the Company Secretary.

### **Directors of the Board**

The NHF operates an open recruitment process. The Directors of the board are elected by the members at the AGM, having been recommended for election by the board via the Nominations Remuneration and Governance Committee operating to defined terms of reference set by the board.

### **Administration**

The Chair of the National Housing NHF will chair the board and, in his/her absence, the Vice Chair will chair the meeting.

The Company Secretary will act as the secretary of the board and will prepare papers for circulation to all members. The secretary will also keep a record of the membership, a register of interests, and ensure board member details at Companies House are up to date.

The agenda for the meetings will be determined by the Chair and Chief executive and take into account the views of other members of the board as necessary. The agenda and papers will be sent no fewer than 5 working days prior to the date of the board meeting.