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| Policy Name | Board Recruitment, Induction and Succession Policy |
| Version No. | 1.0 |
| Approval Date | 15 March 20 |
| Category | Corporate |
| Classification | Internal |

| Board Recruitment, Induction and Succession Policy | |
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1. Policy Purpose & Aim

The foundation of good governance is that there should be a balanced, diverse and effective Board of Trustees ('the Board') which leads and controls the Charity and complies with its legal and regulatory requirements. The responsibilities of the Board are set out in its Terms of Reference.

The purpose of this policy is to ensure that the Board and its Committees and the Retail Board:

- (i) Comprises a diverse group of competent individuals with the necessary skills and experience to meet the requirements of the role;
- (ii) Remains fit for purpose over time and in light of changing circumstances;
- (iii) Has the skills, experience and knowledge required by the Charity to provide effective oversight of the delivery of the Corporate Plan;
- (iv) Balances the need for experienced members with that for new thinking and independent challenge;
- (v) Has adopted a fair, transparent and consistent approach to the recruitment of new Board members;
- (vi) Ensures that new members understand their role and responsibilities in the governance of the Charity, and the Charity's strategies and aims when they join the organisation; and
- (vii) Has a well-planned and managed approach to Board and Committee succession (linked to the future needs of the Charity), so as to minimise the impact of Board/Committee turnover on the effectiveness of the Charity's governance.

2. Objectives

Having an appropriately skilled Board is fundamental to the Charity's ability to comply with the Regulator for Social Housing (RSH) Governance and Financial Viability Standard and its own Code of Governance (the NHF Code of Governance). It is also important that the Board sets out its skills, recruitment and induction requirements for independent Committee members and members of the Retail Board; all requirements stated for members of the Board shall also apply to independent Committee members and members of the Retail Board, except where stated to the contrary.

3. Scope of Policy

The policy applies to all ExtraCare Boards and Committee members. In the event of any discrepancy between this policy and the Articles of Association, the Articles will prevail.

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4. Responsibilities

This Policy applies to all Board Members, independent Committee Members and members of the Retail Board. The Board has delegated the implementation of this policy to the Nominations and Remuneration Committee with the support of the company Secretary, in accordance with and subject to the Board Terms of Reference, Matters Reserved for the Board and the Nominations and Remuneration Committee Terms of Reference.

5. Monitoring & Review

This Policy will be reviewed by the Board every three years, or whenever the Charity is about to undertake significant new activities or become exposed to significant new risks. The Nominations and Remuneration Committee will carry out an annual review of this Policy with the support of the company Secretary and will recommend any changes required to the Board for approval.

6. Risk Management

In accordance with the Board Terms of Reference Trustees are responsible and liable for the governing and functioning of the Charity and Trustees must adhere to any legal and regulatory requirements applicable to the Charities activities. In addition, the role of the Board is to determine the vision and strategy, direct, control, scrutinise and evaluate the Charity's activities. In order to carry out this role effectively and provide legal and regulatory compliance the Board must establish and oversee the whole risk management framework and determine the Charity's risk appetite.

This policy is designed to ensure that Board members have the appropriate skills to carry out their role effectively in order that the Charity is not exposed to any unnecessary risks.

7. Statement of Commitment

The Board is responsible and liable for the governance and functioning of the Charity and is accountable to a number of stakeholders including but not limited to its Members, beneficiaries, funders, and regulators including the Charity Commission, the Regulator for Social Housing and the Care Quality Commission.

By setting out standards to ensure effective recruitment, appropriate skills and succession planning the Board commits to ensuring it has the ability to actively drive ExtraCare's mission

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of 'Better lives for older people' and lead the organisation in pursuit of achieving its purpose whilst ensuring integrity, openness and accountability

8. Board Composition, Diversity and Skills

The Size and Composition of the Board

- 8.1 The responsibilities of the Board are set out within the Articles of Association and in the Board's Terms of Reference.
- 8.2 The Articles of Association state that the Board has the authority to determine the minimum and maximum number of Trustees, but unless it decides otherwise the Board shall comprise of a minimum of three Trustees and a maximum of twelve Trustees. The Code of Governance adopted by the Board requires that the Board should have at least five Trustees and no more than twelve.
- 8.3 In accordance with the Articles of Association no employee or member of the Executive Leadership Team of the Charity shall be a Trustee. All Trustees shall be non-executives.

Board Diversity

- 8.4 The Board shall seek to ensure that it comprises Trustees from diverse backgrounds and with diverse attributes. When recruiting new Trustees, the Board will comply with the Charity's Equality and Diversity Policy.
- 8.5 It is recognised that diversity is an important consideration in any recruitment process and the Charity will use a range of mechanisms to seek to maximise interest from under-represented groups, including but not limited to:
- (i) Active, targeted recruitment using local networks, partners and search consultants where appropriate;
 - (ii) Communications and/or placing adverts with leading agencies, (e.g. the Housing Diversity Network, National Housing Federation, Women in Social Housing); and
 - (iii) Working with other Registered Providers to develop exchange schemes or offer opportunities to members reaching the end of a membership term.
- 8.6 Throughout its work the Charity may come across individuals who are enthusiastic and provide a diverse viewpoint but may lack the necessary skills and experience to become a Trustee. In such circumstances all executives and non-executives should ensure that the Company Secretary is advised of such individuals so that the Charity may consider offering other options to facilitate development of such individuals as part of the Board's succession plans. Consideration will be given to:
- (i) Inviting individuals as observers to Committee meetings, thereby providing a 'pool' of potential Trustees, whilst also enhancing the skills and capabilities of the

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Board's Committees (subject to the amendment of the Charity's Articles of Association); and

- (ii) Offering 'taster' schemes to potential members (customers or external candidates) as an introduction to Board membership as observers to Committee meetings.

Skills and Competencies of the Board

8.7 The Board shall, at least every three years, approve a Board Skills Matrix, which details the skills, competencies, experience and knowledge required by the Board if it is to successfully carry out its role.

8.8 The Board Skills Matrix shall comprise of:

- (i) The range of sector experience which the Board has identified as necessary which may be collectively represented across the Board as a whole;
- (ii) Those core knowledge and skills which the Board has identified as being fundamental to the working of the Board and which each individual Trustee must demonstrate (whether as a result of previous experience or training provided by the Charity); and
- (iii) Such functional skills which the Board has identified as being necessary for the effectiveness of the Board as a whole.

8.9 The Board Skills Matrix shall be reviewed by the Nominations and Remuneration Committee every year, or sooner in the event that:

- (i) There is a change in the Board membership, including when a Trustee's fixed term is due to expire;
- (ii) The Board identifies that the Charity is facing significantly different new risks;
- (iii) The Board is considering whether the Charity should undertake significantly different or new activities; or
- (iv) The Board or Nominations and Remuneration Committee reasonably believes a review is required.

8.10 The Board aims to have a membership which (collectively) has the following core skills and experiences and will use them as a point of reference when recruiting new Trustees:

- (i) Senior level experience of financial management, financial reporting and control systems;
- (ii) Treasury management (borrowing, investment, loan terms covenants etc.);
- (iii) Commercial business management (including risk management);
- (iv) Property development, procurement and asset management;
- (v) Management of housing services;
- (vi) Health and wellbeing;

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- (vii) Social care; and
- (viii) Knowledge of the social housing sector and its regulatory regime.

8.11 The following list of skills and experience is considered to be desirable, which the Board would like to have represented (but not at the expense of the core skills identified above). These are:

- (i) Strategic human resources and organisational development;
- (ii) Community development;
- (iii) Capital development;
- (iv) Corporate Governance;
- (v) Digital;
- (vi) PR, marketing, media and communications;
- (vii) Health issues and supported housing;
- (viii) Pensions;
- (ix) Health and safety;
- (x) Fundraising;
- (xi) Retail;
- (xii) Charity; and
- (xiii) Legal knowledge.

8.12 The Board will seek to reflect the diverse communities that it serves within its composition in terms of ethnicity, level of impairment and gender balance.

9. Board Succession and Board Recruitment

Principles of Board Succession

- 9.1 Succession planning is the responsibility of the Board Chair with the support of the Company Secretary. The Board has delegated certain responsibilities related to Board and Committee succession and recruitment to the Nominations and Remuneration Committee.
- 9.2 Effective succession planning comes from a clear understanding of the skills, experience and knowledge required for achievement of ExtraCare's corporate plan, as well as the changing business needs and future direction of ExtraCare. The process should be continuous and proactive. The following will be used to inform succession planning:
- (i) Outputs from Trustee's Appraisal, including Skills Matrix and Action Plan (see Board and Committee Appraisal Policy);
 - (ii) Outputs from the annual Board and committee effectiveness reviews;

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- (iii) Consideration of ExtraCare’s Corporate plan and potential impact on ExtraCare’s business and governance requirements.
- (iv) Analysis of the external environment and potential impact on ExtraCare business and governance requirements;
- (v) Current member term lengths; and
- (vi) Corporate Risk Register.

9.3 It is the responsibility of the Chair to ensure that appropriate succession plans are in place for the Board so as to maintain a good level of governance effectiveness. The Board has delegated responsibility to the Nominations and Remuneration Committee to keep these matters under review and report to the Board on any succession related activities as required. Where possible the following principles will apply to the development and implementation of Board succession plans:

- (i) The terms of appointment for Trustees should start and end at the AGM held in each year;
- (ii) The skillsets of Trustees will be kept under review to ensure that they meet the needs of the business as it evolves;
- (iii) The diversity of the Board will be monitored to ensure, so far as practicable, that it reflects the communities we aim to serve; and
- (iv) The Board shall aim to appoint new Trustees on a systematic and continuous basis, in order to avoid significant turnover in membership in any one year and to maintain continuity of knowledge and experience. The Nominations and Remuneration Committee shall take this into account when making a recommendation to the Board about whether or not an individual Trustee should be approved for re-election at the end of their fixed term (see also section 9.8 below).

9.4 Board and Committee members must be kept informed of succession plans in place.

9.5 The Charity will ensure that the annual review and evaluation of the effectiveness of the Board (see separate Board and Committee appraisal policy document) is linked with a strategic approach to Trustee recruitment and succession, as well as the training and development of Trustees.

9.6 Succession planning will guide recruitment and selection within a fair and transparent process and will be reflective of the Charity’s commitment that prospective Trustees should have the opportunity to learn about the role and duties of a Trustee and the commitment the role requires.

9.7 The Nominations and Remuneration Committee shall identify skill gaps which arise from changes to the Board Skills Matrix as a result of new risks or activities and will consider ways in which to meet such gaps. This may include, but not be limited to:

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- (i) Providing additional training to existing Trustees, which may be identified as part of a Board effectiveness review or a Trustee's individual appraisal;
- (ii) Inviting individuals to attend Board Committees as observers, thereby providing additional specialist knowledge and creating a potential succession pool of future Trustees to be appointed to the Board;
- (iii) Seeking external professional advice; or
- (iv) Appointing a suitably qualified Trustee on an interim basis (subject to not exceeding the maximum number of Trustees permitted) pending completion of the formal recruitment process.

9.8 Where a Trustee comes to the end of their term of office and is eligible for re-appointment, the Nominations and Remuneration Committee shall consider the case for re-election and shall only make a recommendation to the Board that an individual should be approved for re-election after due consideration of:

- (i) The individual's performance as set out in their annual appraisal undertaken by the Chair of the Board; and
- (ii) The Board Skills Matrix, in order to determine that the individual's skills and experience remain relevant to the Board as a whole.

Principles of Board Succession

9.9 In accordance with the principles set out in 9.2 above, the Board will ensure there is a strategic approach to recruitment and succession for the Chair of the Board, which is linked to:

- (i) The outputs from the annual review and evaluation of Board/Committee effectiveness;
- (ii) The Board Skills Matrix;
- (iii) The individual appraisal of Trustee performance; and
- (iv) The skills, experience and competencies required by the Chair as outlined within the Role Profile for the Chair of the Board.

9.10 Succession planning for the Chair of the Board will be undertaken within a fair and transparent process, reflecting the Charity's commitment that all prospective Trustees will have the opportunity to learn about the role and duties of a Chair and that all serving Trustees will have an opportunity to apply for the role.

9.11 There are two possible routes for the recruitment and selection of the Chair's successor. One involves an 'internal' process whereby serving Trustees are given an opportunity to be considered for the role and are evaluated and assessed accordingly. The other involves the use of an external recruitment process where the Board determines that there is not a natural successor from within the current Board membership, having exhausted the internal process.

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- 9.12 As a matter of principle, the Charity shall seek to appoint the best possible candidate for the role of Chair of the Board, whether that be a serving Trustee, or an individual recruited from the external market. Therefore, both routes described in paragraph 9.11 above will be used in parallel, save where the Board decides that it is the best interests of the Charity to make a temporary appointment to the Chair role for a short period (up to 12 months) from the existing Trustees, pending a full external recruitment exercise. All serving Trustees shall have an opportunity to apply for the role and the Nominations and Remuneration Committee will, as part of its annual review of the Board Skills Matrix, be considering the appointment of potential successors to the role of Chair (and Chairs of Committees) when recommending to the Board the appointment of new Trustees, in order that there are Board members capable of fulfilling the role, either now or in the future, with or without further training and development.
- 9.13 The process for the succession of the Chair of the Board will involve:
- (i) Trustees who wish to be considered for the role to undertake a leadership competency assessment, which will identify the leadership competencies they possess and any training and development requirements which are necessary for them to perform effectively in the role;
 - (ii) In parallel, an external recruitment process will be commissioned by Nominations and Remuneration Committee (if considered appropriate – see 9.12) to source potential candidates from the external market;
 - (iii) The Nominations and Remuneration Committee (or a panel thereof) to independently assess candidate’s capabilities against those set out within the Role Profile for the Chair of the Board, using the completed self-assessment;
 - (iv) In parallel, the Nominations and Remuneration Committee to determine a “line of succession” for the role of Chair, identifying potential candidates;
 - (v) Nominations and Remuneration Committee to identify any competency gaps between potential successors and the skills and capabilities necessary for the role;
 - (vi) Soundings to be undertaken with key individuals who will participate/support the succession process (i.e. outgoing Chair, Committee Chairs and the Chief Executive given the importance of the relationship between the Chair and Chief Executive);
 - (vii) Nominations and Remuneration Committee to interview candidates and recommend to the Board the appointment of the preferred candidate; and
 - (viii) Where a potential successor(s) is identified, create and implement an induction and training and development programme (if necessary) in order to support the individual’s preparedness and monitor progress of their development.
- 9.14 The Nominations and Remuneration Committee will oversee the recruitment process, which will be managed by the Company Secretary in consultation with the Committee.

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Recruitment of New Trustees

9.15 The Charity's Code of Governance states that:

“Recruitment to Board vacancies must be open and transparent and based on the Board’s considered view of the skills and attributes required to discharge its functions. The Board must select or appoint new members objectively on merit and must undertake regular appraisals of its members and of the board as a whole.”

“In considering its composition and renewal the Board must have regard to the need for a Board which includes people from diverse backgrounds and with diverse attributes, to help ensure healthy debate and challenge, and a range of perspectives.”

9.16 The Nominations and Remuneration Committee is responsible for overseeing the approach to recruitment and selection of Trustees and all appointments are subject to approval by the Board of Trustees and Members of the Charity (usually at the AGM).

9.17 The Company Secretary, working with the Nominations and Remuneration Committee will manage the process, which will commence when a Trustee resigns and creates a vacancy or when it is known in advance that vacancies will arise, for example ahead of the end of a term of office.

9.18 The aim of this Policy is to ensure that recruitment is carried out in a consistent and coordinated manner. At least annually, the Nominations and Remuneration Committee will review the Trustee renewal schedule which identifies the retirement dates of all Trustees. The Company Secretary will also provide an update on any known future changes in membership (e.g. intentions of board members to step down, noted from the Board appraisal process etc.). The Committee will then agree the best process and timescale to fill those vacancies where appropriate, which will make best use of resources.

9.19 Specific requirements for skills, experience and competencies will be drawn from the annual review of the Board Skills Matrix and the outcomes of the Trustee appraisal process. The Committee will approve a Trustee role description for each recruitment exercise describing these requirements and including a Person Specification or similar, describing expected behavioural characteristics. All recruitment will be based on merit against these requirements/characteristics.

9.20 A range of recruitment techniques should be utilised to secure a wide choice of candidates, from diverse backgrounds and with diverse attributes.

9.21 All appointments will be made following an interview with a panel determined by the Board or by Remuneration and Nominations Committee. The majority of panel members will be Non-Executive members.

9.22 The Remuneration and Nominations Committee will determine which candidates will be invited to interview.

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- 9.23 All appointments to the Board must be approved by the Board before a formal offer is made to the candidate.
- 9.24 All new Trustees shall sign a letter of appointment setting out their rights, role and responsibilities to ExtraCare, including the responsibility to act in accordance with ExtraCare's Code of Conduct. Expenses payable for any role shall be in accordance with levels approved by the Board.
- 9.25 The following term lengths for appointments will apply:
- (i) All appointments are for an initial 3-year term. This term is renewable at the discretion of the Board as appropriate;
 - (ii) No Board member shall serve for more than 6 years unless the Board has determined that there are exceptional reasons that justify a Board member's term going beyond this period. Where there are such reasons these shall be recorded in Board minutes and published in the Financial statements; and
 - (iii) There is an absolute limit of a 9-year term for all Board and Committee members.

10. Induction, Training and Development

- 10.1 Induction is an essential first step in introducing new members to ExtraCare culture, operations and corporate plans. All new Trustees shall receive a properly resourced induction which will provide basic information on the role and responsibilities of the Board, as well as tailored information for each individual Trustee, and is organised by the Company Secretary. All new Trustees will have access to core information (located in the Knowledge Area on BoardPacks) which focuses on both the requirements of the role and the practical needs of the individual Trustee.
- 10.2 All Trustees will be offered ongoing training and development during their tenure based on an analysis of the needs of individuals identified as part of their annual individual appraisal and the needs of the Board as a whole. The Company Secretary shall arrange such training and development opportunities and Trustees shall accept that undertaking training and development is an integral part of their role.
- 10.3 During the first twelve months of service, the performance of new Trustees will be reviewed, jointly by themselves and the Chair or Deputy Chair, to ensure that they are able to contribute at the level required and bring value to the work of the Board. The review will be conducted by the Chair or Deputy Chair within the period or as part of the Trustee's individual appraisal, whichever is the sooner. Review meetings will include:
- (i) A review of the Trustee's contribution made to date during Board, Committee and other meetings;

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- (ii) Discussion about relationships with other Trustees and the Executive team;
- (iii) Assessment of progress in the role;
- (iv) Review (including self-review) of performance against Trustee competencies as set out in the Trustee Role Profile; and
- (v) Identification of any learning, development and training needs

11 Other Relevant ECCT Policies & Documents

| General | |
|-----------|---|
| Corporate | • Articles of Association |
| Corporate | • Standing Orders |
| Corporate | • Board Terms of Reference |
| Corporate | • Matters Reserved for the Board |
| Corporate | • Nominations and Remuneration Committee Terms of Reference |
| Corporate | • Board Skills Matrix |
| Corporate | • ExtraCare Code of Conduct |
| Corporate | • Equality and Diversity Policy |
| Corporate | • Board, Chair and Committee Appraisal & Effectiveness Policy |

12. Relevant Legislative & Regulatory Requirements

| Legislation | Regulation | Guidance |
|-------------|---|----------|
| | RSH Regulatory Standards -Governance and Financial Viability standard | |
| | NHF Code of Governance 2020 | |
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