

Governance Standing Orders

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1 Introduction

- 1.1 The purpose of this document is to outline the governance framework of London & Quadrant Housing Trust (referred to as L&Q throughout this document) and how it will be controlled and run. Their contents are an amplification of the Rules or Articles of Association (Governing Documents) of L&Q Group members and are not intended as a replacement or alteration to each set of Governing Documents. In the event of any conflict, the Governing Documents of the relevant L&Q Group member will prevail.
- 1.2 The governance framework defines the way in which L&Q is constituted, directed, and controlled by its governing body, the Group Board. It specifies the distribution of responsibilities from the Board to its Committees, Executive Group and Governance Groups carrying out certain functions. To do this, the document outlines how L&Q is constituted, the role of Group Board, the Group Chair, the Deputy Chair, the Senior Independent Director, the Group Chief Executive, Executive Group, and the Company Secretary and sets out which decisions are reserved specifically for the Board (the 'Schedule of Matters Reserved for the Board') and the process by which Group Board delegates some other responsibilities to its committees.
- 1.2.1 The Group Board retains ultimate responsibility for the effectiveness of governance arrangements across the L&Q Group, including committee structures, delegated authorities, and governing documents. Committees operate within clearly defined delegated remits and do not assume responsibility for overall governance oversight.
- 1.3 Group Board is committed to meeting the highest standards of governance and has decided that L&Q should comply with the National Housing Federation's (NHF) Code of Governance. The Board will present a corporate governance statement within the L&Q's Annual Report each year that will provide an explanation of how L&Q is governed in line with the principles of the Code. The Group Board shall receive annual assurance that governance arrangements and governing documents have been reviewed and remain fit for purpose.

2 L&Q's Rules & History

- 2.1 L&Q is the parent body of the L&Q Group and conducts its business in accordance with its Rules and these Standing Orders. It is an exempt charity and a registered society under the Co-operative and Community Benefit Societies Act 2014 (the Act), registration number 30441R. Its current rules are Model 2005 (Charitable) published by the NHF and it is registered with and regulated by the Regulation Committee of the Homes and Communities Agency (also known as the Regulator of Social Housing (the Regulator) as a Registered Provider (RP), registration number L4517.
- 2.2 L&Q was formed as a new industrial and provident society (now a registered society) and a new RSL, on 31 March 2008 by the amalgamation of 4 Registered Social

Landlords – London & Quadrant Housing Trust; L&Q Bexley Homes Ltd; L&Q Threshold Homes Ltd and L&Q Beacon Homes Ltd.

- 2.3 On 1 February 2017 L&Q acquired a strategic land business conducted via a portfolio of companies then known as Gallagher Estates. From 1 February 2019 this business became known as L&Q Estates. This portfolio was sold in July 2024.
- 2.4 On 31 March 2018 East Thames Limited (ETL), an exempt charity, a registered society under the Act and a wholly owned subsidiary of L&Q, transferred its engagements to L&Q
- 2.5 On 31 March 2023 Trafford Housing Trust Limited, an exempt charity, a registered society under the Act and a wholly owned subsidiary of L&Q, transferred its engagements to L&Q.
- 2.6 L&Q and its subsidiaries form the L&Q Group. L&Q, as the parent organisation of the L&Q Group, has overall control of all the Subsidiaries. L&Q's control of the subsidiaries has been achieved in different ways. For registered societies, community benefit societies and charities, their Rules or Articles of Association give L&Q the power to appoint and remove members from their boards. In the case of the other subsidiaries (which are private limited companies) L&Q is either the sole or majority member/shareholder or has the power to appoint or remove board members under the Intra-Group Agreement.
- 2.7 For the avoidance of doubt, in this document “organisation” shall mean, L&Q for L&Q Board members, and LQL for LQL board members.

3 Principles of Governance

- 3.1 L&Q's Code of Governance requires that governance arrangements in all cases should ensure that L&Q as parent retains control over the strategy and understands the risk profile of all entities in the L&Q Group so that its direct and indirect subsidiaries complement and reinforce the strategic and operational goals of L&Q.
- 3.2 The Group Board is responsible for overseeing the effectiveness of governance arrangements across the Group, including the performance of its Committees, the adequacy of delegated authorities, and compliance with governance standards. As a result, some matters for decision by subsidiary boards will require joint approval of L&Q as their ultimate parent.
- 3.3 L&Q must be aware of material risks and issues potentially affecting the L&Q Group as a whole, so a communication link between principal subsidiary boards and the L&Q Group Board is vital. This is also an expectation of the Regulator of L&Q.
- 3.4 At the same time, governance arrangements are intended to provide for the ability of subsidiaries in the L&Q Group to input into group strategy to ensure it is viable and practicable taking into account local conditions. The aim is to strike the right balance

between parental oversight and delegation of power & responsibility to subsidiary boards.

- 3.5 A limited number of policies and procedures will be adopted and apply to all L&Q employees and employees of its subsidiaries. It is recognised however that in some areas it will be appropriate for subsidiaries to have their own policies and procedures suitable for their specific characteristics. The L&Q Group Governance Standing Orders shall therefore either be adopted by principal subsidiaries or be tailored to be proportional to the nature and size of such subsidiary.
- 3.6 There is an Intra-Group Agreement in place which sets out the relationship between L&Q and its subsidiaries. The Group shall adopt a risk-based approach to maintaining and developing intra-group agreements across active entities, ensuring clarity of roles, responsibilities, and escalation arrangements. In the event of a conflict between the Intra-Group Agreement and the contents of these Governance Standing Orders the terms of the Intra-Group Agreement will prevail.
- 3.7 The L&Q Group is subject to external requirements from a number of sources, including legislation, funder's requirements and regulation by the Social Housing Regulator. These Governance Standing Orders outline how the L&Q Group Board and LQL Board pass authority internally from their boards to delegated committees and via the Group Chief Executive and Executive Group to other Employees. It is subject always to any external requirements which may affect the Group.
- 3.8 L&Q and its Subsidiaries are linked by common management and/or ownership and, as such, L&Q will share and exchange personnel, office space, equipment and services with its Subsidiaries. Where applicable, cost sharing agreements and service level agreements are in place to confirm these arrangements. In addition, the boards of each of the Subsidiaries may adopt sections of these Governance Standing Orders, as amended from time to time, to confirm the governance arrangements for the Subsidiaries.
- 3.9 The NHF Code of Governance will also apply to L&Q's relationship with the Subsidiaries. The NHF Code of Governance will not however apply to operations of the other Subsidiaries. By adopting sections of these Governance Standing Orders, each of the Subsidiaries acknowledges that L&Q has the power to intervene, if necessary, in its governance.
- 3.10 The Group Chief Executive must approve the appointment and removal of all Executive directors of L&Q Living.
- 3.11 Subsidiaries may appoint L&Q committees and other bodies to make decisions on their behalf.

4 The Role of Group Board

4.1 L&Q is governed by its Group Board. It is sometimes referred to as the Board in this document. The central role of the Board is to determine the strategic direction of the L&Q Group. The Group Board delegates detailed scrutiny, challenge and certain decision-making powers to its Committees in accordance with their terms of reference, while day-to-day management and delivery of Board approved strategy is delegated to the Executive Group. The Board shall review these Standing Orders on a regular basis, the terms of reference for its committees and delegation to officers.

4.2 Principles governing the Conduct of Business of the Board

- Mission & Values: To set and actively drive the organisation's social purpose, mission, values and ambitions, and through these embed within the organisation resident focus, inclusion, integrity, openness and accountability;
- Strategy and Delivery: To set ambitions, plans and strategies which enable the organisation to fulfil its social purpose and remain viable and sustainable, and exercises demonstrable and effective oversight of its delivery;
- Board Effectiveness: To lead as a skilled and diverse board which regularly reviews and capably manages its own performance and effectiveness and ensures that it complies with the code;
- Controls and Assurance: To actively manage the risks faced by the organisation, and obtain robust assurance that controls are effective, that plans, and compliance obligations are being delivered, and that the organisation is financially viable.

4.3 Board members will be mindful of the following high-level principles they are expected to uphold when conducting Board business and carrying out all of their duties as a Board member more generally, as derived from the NHF Code of Governance:

4.4 **Purpose & Function of the Group Board**

- Act as custodians in safeguarding the L&Q group's ethos and values, sense of social mission and charitable objects as a social housing business.
- Maintain a strategic role in directing the work of the L&Q Group, in defining and ensuring compliance with the L&Q Group's values and objectives.
- Satisfy themselves that the affairs of the L&Q Group are conducted lawfully and in accordance with regulatory standards as well as other generally accepted standards of performance and probity and that there are effective systems for internal delegation, audit, risk management and control.
- Bring independent judgement to bear on key issues such as accountability and performance

4.5 Skills & Abilities

4.6 To ensure the Board possesses the qualities required to lead its organisation, it needs the experience and understanding of most, and preferably all, of the following skills, abilities, and experience:

Category	Key skills area
Cultural Change, Organisational and service design	• Senior level experience in overseeing excellent colleague engagement and development programmes strategies including management and leadership development. • Experience of shaping or governing positive organisational behaviour and cultural initiatives and programmes for a large, complex organisation. • Recent senior experience of shaping the vision or strategy for diversity and inclusion related initiatives and programmes including frameworks and approaches for achieving equitable outcomes for diverse customer groups, and Employees.
Business transformation	• Expert understanding and strong track record of strategic IT including digitalization and channel shift. • Senior level experience of overseeing or governing business transformation improvement change or merger programmes in large, complex service organisations.
Understanding of Social Housing & Associated Services	• An understanding of social housing, the sectors regulations and the services provided.
Customer service and customer voice	• Understanding of good customer relationship management and customer expectations • Senior level experience of using diverse customer engagement/feedback and other insight to inform strategic decision-making for a large, national organisation. • Accountability and Transparency: Approaches to public accountability, transparency and participatory decision making

Category	Key skills area
	Understanding of social impact, community impact and outcomes measurement
Homes and place making	- Senior level experience of providing and managing homes and place making in a strategic capacity for large, complex housing provider. - Good understanding of different housing accommodation products/tenures - Ability to engage and influence key housing sector stakeholders.
Property investment	- Expertise in strategic asset management including capital works, responsive repairs and planned maintenance - Providing through leadership in the field of social growth infrastructure
Property development	- Experience of governing or managing major programmes and JVs/ partnerships at a senior or strategic level - Experience and or expert understanding of appraisals of major development schemes and a range of tenure types - A good understanding of development construction procurement
Corporate finance/ business planning	- Experience of managing finance in a large organisation at a senior executive level - Can expertly inform and analyse financial management reporting and business plans including stress testing - Understanding of strategic procurement
Treasury and Funding Expertise	- Expertise in Treasury management including obtaining new funding facilities, investment in capital markets, loan terms and monitoring covenant compliance - Experience in overseeing best-in-class funding arrangements across traditional and conventional debt funding while shaping new funding models to address challenges that traditional debt cannot meet.

Category	Key skills area
Strategic Partnerships and Networking	• Ability to leverage a robust network to open up opportunities and build strategic partnerships. • Proven ability to become a key voice in policy making and the go-to partner for government across L&Q's operating geography, with the potential to lobby and influence effectively and act as an advocate for the organisation.
Regulation and compliance	• Senior level experience of governance within a regulated sector, preferably within the housing sector. • Knowledge of best practise with regards to all statutory compliance. • Understanding of governing environmental sustainability.
Health & Building Safety	• Expert knowledge of building safety legislation, regulations, and requirements to ensure compliance and safety across L&Q's asset base. • Significant senior experience of implementing occupational health and safety protocols in a large complex organisation, overseeing and implementing safety programmes to protect residents and Employees, ensuring a safe living and working environment. • Expertise in building safety legislation regulation and requirements good understanding and knowledge of building
Internal controls and Assurance	• Experience of shaping the system of internal controls of a large and complex organisation • Experience of developing or monitoring an assurance framework • Expert knowledge of data integrity, good data governance and statutory data protection responsibilities
Audit	• Experience and strong understanding of audit and the work of audit Committees.

Category	Key skills area
	Expert knowledge of audit standards and experience of overseeing audit processes to ensure transparency, compliance and organisational accountability
Risk management	- Senior level experience of using risk management frameworks and monitoring strategic and operational risks and mitigations. - Expert knowledge of enterprise risk frameworks, financial controls, regulatory compliance and crisis management to provide effective oversight and safeguard organisational resilience. - Experience of integrating risk appetite and culture into strategic decision making to safeguard stakeholder trust

4.7 All Board members will carry out a self-assessed skills audit on appointment and annually through the duration of their tenure of the Board. The Remuneration and Nominations Committee shall review Board and Committee composition, skills, succession planning and recruitment requirements annually and make recommendations to the Group Board.

4.8 **Personal behaviours and style**

4.9 L&Q expects its Group Board members to exhibit the following personal behaviours whilst carrying out their duties:

- Supportive of the mission, aims and values of the Group, including a strong commitment to the value of social housing and the delivery of respectful, inclusive and non-judgemental services to residents.
- Demonstrates the professional conduct expected of a Board Member
- Demonstrates a strong commitment to equality, diversity and inclusion
- Demonstrates curiosity and courage, committed to continuing improvement, performance appraisals and professional development; looks for creative and innovative solutions to problems
- Listens to others and provides effective decision making when required
- Demonstrates credibility and integrity
- Can provide perspective by being able to rise above the immediate problem or situation and see the wider issues and implications

5 Group Board Meetings

- 5.1 The Group Board shall meet at least 6 times per annum and the dates of meetings shall be approved annually in advance.
- 5.2 The quorum for Board meetings is 4 members, of which one must be an independent member and no more than one can be an Executive Group member. Co-optees are not included for the purposes of determining quorums.
- 5.3 Electronic versions of Board papers are emailed to Board members at least 7 days prior to the meeting. Issues should be well documented with points for decision clearly identified.
- 5.4 The meetings will be minuted. Draft minutes will be presented to the Group Chair within 14 days of the meeting for amendment and then presented to the Group Board for approval at the next meeting.
- 5.5 Decisions will be made by consensus where possible, but where necessary by a vote of those present and entitled to vote, including the Group Chair's casting vote if required.
- 5.6 Decision making between meetings is allowed under the Rules but should only be used for exceptional items. Rule D39 states that a resolution in writing sent to all Board members or a Board Committee and signed or confirmed by three quarters of those Board or Board committee members is as valid as if it had been passed at a meeting. All requests for approval between meetings will be administered by the Group Company Secretary.
- 5.7 All Board members share responsibility for its decisions. Each should act only in the interests of L&Q, and not on behalf of any constituency or interest group.
- 5.8 In the absence of the Group Chair, Board meetings shall normally be chaired by the Deputy Chair. Where both the Group Chair and Deputy Chair are unavailable, the Senior Independent Director shall chair the meeting or, if they are also unavailable, the Board shall appoint one of the independent Non-Executive Directors present to chair that meeting.
- 5.9 Group Board meetings will usually be attended by all Group Directors. The Group Chief Executive will be in attendance in their capacity as a Board member, and the Group Company Secretary will attend in their governance advisory capacity, including responsibility for recording proceedings. Other senior Employees can be invited with the prior approval of the Group Chair.
- 5.10 The Board shall undertake an annual review of its effectiveness and that of its Committees, and shall oversee a formally externally facilitated review at least every three years, including monitoring delivery of agreed actions.

- 5.11 The role of the Group Chief Executive and the Executive Group Director, Finance as Executive Group Board members as distinct from Non-Executive Group Board members is recorded in detail under the Executive Directors on the Board Policy. It provides that there are certain issues that they cannot decide upon and, where appropriate, should excuse themselves from such board discussions. These include:
- Membership of the Board
 - Pay and contractual terms of the Group Chief Executive
 - The membership of the Remuneration and Nominations Committee as it recommends the pay of the Group Chief Executive
 - Issues around the conduct, performance or dismissal of the Group Chief Executive
 - Appointment of a successor Group Chief Executive
 - Executive Group pension arrangements
- 5.12 LQL follow the above meeting requirements with the exception of the following:
- Board meets as a minimum four times per annum
 - The quorum for meetings is 2 non-executive members
 - Decision making is allowed in between meetings under LQL rule D34.

6 The Group Chair

- 6.1 The Group Board has a Group Chair, who is subject to appointment every 3 years by the Board. The post shall normally be held for a maximum of 6 years. Any extension of such appointment shall be subject to annual review.
- 6.2 The Chair of LQL Board has the same tenure arrangements, unless approved otherwise by the Remuneration & Nominations Committee.
- 6.3 Chairs of other operating subsidiaries are Executive members appointed by the Group Chief Executive.
- 6.4 **Reporting Lines**
- 6.5 The Group Chair is appointed by and is accountable to the Group Board.
- 6.6 The Group Chair is not responsible for executive matters regarding the L&Q Group's business. Other than the Group Chief Executive (in respect of the limited matters set out herein and other matters directly relating to the Group Board) no executive formally reports to him other than through the Group Board.

6.7 The Chair of the LQL Board are similarly appointed by and accountable to their respective Boards. In addition, the Chairs are not responsible for executive matters regarding the business of their respective organisations.

6.8 **Responsibilities**

6.9 The Group Chair's prime responsibility is to ensure that the Board fulfils its responsibilities for oversight of the L&Q Group and the Group Chair has particular duties to perform on behalf of the Board. The office may not be held by an executive member of the Board.

6.10 The Group Chair is also required to stand for appointment every three years in their capacity as a Group Board member. The specific responsibilities of the Group Chair are:

- to ensure the efficient conduct of the Group Board's business and of the L&Q Group's general meetings
- to ensure that all Group Board members are given the opportunity to express their views before any important decision is taken and that appropriate standards of conduct and behaviour are maintained in accordance with the code of conduct approved by the Group Board
- to establish a constructive working relationship with, and provide support for, the Group Chief Executive and constitute the prime communication link between the Group Chief Executive and the Group Board
- to ensure that the Group Board as a whole act in partnership with the Executive Group;
- to ensure that the Group Board delegates sufficient authority to its committees, the Group Chair, the Group Chief Executive and others to ensure the business of the L&Q Group to be carried out effectively between meetings of the Group Board
- to ensure that the expectations of subsidiary boards are clarified by means of the Group Board agreeing their plans and budgets and holding the subsidiary boards accountable for the same
- to ensure that the Group Board receives professional advice when it is needed either from senior Employees or other external sources to represent the L&Q Group as necessary
- to take decisions delegated to the Group Chair with the advice of the Group Chief Executive
- to support and oversee the appraisal of the Group Chief Executive, with remuneration determined through the Remuneration and Nominations Committee in accordance with delegated authority

- to ensure, should the occasion arise, that the Group Board arranges the replacement of the Group Chief Executive in a timely and orderly fashion
- to ensure that L&Q provides appropriate role profiles and competency frameworks for all Group Board members
- to ensure in liaison with the Group Company Secretary that all new group board members receive induction training and that effective arrangements are made to enhance skills experience and knowledge of all its members on an ongoing basis
- to lead on the appraisal process to ensure proper and appropriate arrangements for the overall Group Board appraisal and that of individual Group Board members, including the Group Chair and Senior Independent Director
- to implement a succession plan for future Group Board membership
- to ensure that the level of Group Board member remuneration recommended by the Remuneration & Nominations Committee results from an approved process to minimise the potential for conflicts of interest
- to ensure the Group Board agrees the role of the Senior Independent Director (SID) and
- to ensure that L&Q follows, where appropriate, the recommendations of the NHF Code of Governance

6.11 The Group Chair shall maintain an effective working relationship with the Deputy Chair, providing appropriate delegation, information and support to enable the Deputy Chair to discharge their responsibilities and provide leadership continuity when required.

6.12 The LQL Chair has similar responsibilities in respect of their respective organisation and Board.

6.13 **Delegated Authority**

6.14 The Group Chair has delegated authority from the Group Board, subject to their consultation with the SID and at least one other Non-Executive Group Board member before exercising such authority, as detailed in the following statement.

6.15 Matters requiring Board decision will normally be considered and the decision taken by the full Board at its meetings. Occasions may arise, however, when an urgent decision needs to be taken on a matter when the efficient operation of the L&Q Group will be adversely affected by delay. The decision as to whether such a situation exists will be taken by the Group Chief Executive or, in the event of the Group Chief Executive being unavailable, by the nominated executive director who will refer the matter to the Group Chair for decision.

6.16 The Group Chair's delegated authority will only be exercised on matters over which Committees of the Board do not already have delegated authority to take urgent

decisions. These include development scheme proposals involving risk delegated to the L&Q Group Asset & Development Committee.

- 6.17 In all other fields the Group Chair has delegated authority to take decisions and will be exercised in respect of decisions outside of the delegated powers of the Group Chief Executive and the Executive Group such as a change in existing strategy, regulatory/statutory requirements or matters that may have a significant reputational impact; and having reviewed an impact assessment form detailing the options considered, impacts and dependencies.
- 6.18 Actions taken will be reported to the Group Board at its next meeting. A statement of the matter concerned, the other Board members consulted, and the decision taken will be recorded in the minutes of that meeting.
- 6.19 LQL delegated authority arrangements follow the same principles as above.

7 The Group Deputy Chair

7.1 Appointment

- 7.1.1 The Group Board may appoint one of its independent Non-Executive Directors to serve as Deputy Chair. The Deputy Chair shall be appointed by the Group Board and shall normally serve for a period determined by the Board in line with tenure arrangements, subject to annual review.

7.2 Reporting relationship

- 7.2.1 The Deputy Chair is appointed by and accountable to the Group Board.
- 7.2.2 The Deputy Chair supports the Group Chair in the discharge of their responsibilities and provides leadership continuity where required but does not assume any executive authority.

7.3 Purpose

- 7.3.1 The purpose of the Deputy Chair is to:
- support the Chair in leading the Board and maintaining effective governance;
 - provide leadership continuity during periods of absence, transition or vacancy involving the Chair;
 - support the effective operation and performance of the Board;
 - assist with Board succession planning; and
 - act on behalf of the Chair where delegated or required.

7.4 **Responsibilities**

7.4.1 The Deputy Chair shall:

- support the Chair in the effective leadership of the Board;
- act on behalf of the Chair when requested or where delegated;
- chair Board meetings in the Chair's absence;
- support constructive challenge and effective participation by all Board members;
- represent the Board externally where delegated;
- support effective Board succession planning;
- assist the Chair in maintaining alignment between Board priorities and committee activities;
- provide leadership continuity during periods of transition or absence; and
- undertake any other responsibilities delegated by the Group Board.

7.5 **Authority**

7.5.1 The Deputy Chair shall exercise only those powers delegated by the Group Board or the Group Chair and shall not acquire additional authority solely by virtue of holding the office of Deputy Chair.

8 **The Senior Independent Director**

8.1 The Senior Independent Director provides an independent point of contact for Board members and stakeholders where this is appropriate and supports good governance arrangements. The role is distinct from that of the Deputy Chair. Whilst the Deputy Chair supports the Chair in leadership continuity, the Senior Independent Director retains their independent governance responsibilities and shall not normally undertake the delegated leadership responsibilities assigned to the Deputy Chair except where specifically required.

9 **The Group Chief Executive**

9.1 **Reporting Lines**

9.2 The Group Chief Executive reports to the Group Chair (acting on behalf of the Group Board) and to the Group Board directly.

9.3 He/she is responsible for all executive management matters affecting the L&Q Group. The Group Chief Executive shall determine which functions he will perform personally and shall nominate officers to undertake the remaining functions for which he will still

retain an accountability to the Group Board. All members of the senior management report, either directly or indirectly, to the Group Chief Executive.

9.4 **Responsibilities**

- To provide leadership, driving the business forward while remaining fully accountable to the Group Board;
- To manage the organisation, maintaining an effective working relationship between Employees and the Group Board
- To maintain financial viability and control
- To act in the best interests of the L&Q Group
- To take the initiative in developing plans for the L&Q Group and to put them forward for consideration by the Group Board
- to manage the affairs of the L&Q Group in accordance with the vision, values mission and objects of the L&Q Group and the general policies and specific decisions of the Group Board
- to draw the Group Board's attention to matters that it should consider and decide on, and propose Group Board meeting agendas to the Group Chair which reflect such matters
- to research and develop proposals to help the Group Board determine the L&Q Group's policies, strategies and business planning
- to ensure that the Group Board is given the information necessary to perform its duties and that the Group Board receives advice on matters concerning compliance with L&Q's governing instrument, legislation, the need to remain solvent and regulatory requirements
- to prepare and manage L&Q's strategic plan and operating plans on an annual basis for appraisal by the Group Board
- to ensure that proper systems of control, risk assessment and risk management, legal and regulatory compliance are established and maintained
- to supervise, with the guidance of the Group Chair, the preparation of documents for consideration by the Group Board
- to help the Group Chair ensure that the business of the Group Board is properly conducted
- to provide input into the Group Board evaluation process

- to ensure that the relationships between senior Employees and the Group Board are positive and focus on the business of the organisation
- to effect, alongside the Executive Group, the decisions of the Group Board and, where applicable, its committees
- to promote and represent the L&Q Group
- to create and maintain an effective organisational structure, to lead and manage the Employees and ensure that their performance is appraised
- to maintain and protect the reputation of the L&Q Group

9.5 **Contract of Employment**

9.6 In line with all other employees of L&Q the Group Chief Executive will have a written contract of employment which will conform to legislation and current HR best practice. The Group Board will consider whether the contract of employment should be reviewed at least every three years.

10 **The Group Company Secretary**

10.1 The Group Company Secretary is accountable to the Group Board. The Group Chief Executive carries ultimate responsibility for the post holder as a member of Employees, and for ensuring that the duties of the office are properly discharged. The Group Company Secretary is responsible for summoning and attending all meetings; keeping the minutes; registers; having charge of the seal and is responsible for compliance with the Rules.

10.2 **Reporting lines**

10.3 The Group Company Secretary will have direct lines of communication with the Group Chair to be able to act as the “conscience of the Board” in order to maintain impartiality and to bring issues of concern directly to the Group Chair. The role of the Group Company Secretary shall be line managed by and accountable to the Director, Governance & Accountability for operational matters.

10.4 **Responsibilities**

10.5 Monitoring and ensuring compliance with all the relevant statutory and regulatory returns.

10.6 Co-ordinating the operation of the Group's formal decision making and reporting machinery. This includes providing legal and administrative support to both the Group Board and the Executive Group.

- 10.7 Although not a member of the above bodies, to act as adviser to them on compliance issues, standing orders and matters of vices. This will include commissioning outside legal advice when required.
- 10.8 To assist in the implementation of corporate strategies by ensuring the decisions and instructions of the Group Board and the Executive Group are properly recorded and communicated.
- 10.9 Responsible for the keeping of the share registers for all members of the L&Q Group. All appointments, expulsions and the ending of shareholding will be carried out in accordance with the Rules.

11 Executive Group Director Finance

- 11.1 The Executive Group Director Finance shall be responsible for the provision of financial advice to L&Q and to its board members and for the supervision of financial control and accounting systems. He/she shall be responsible along with the Group Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.
- 11.2 The Executive Group Director Finance shall be line managed and accountable to the Group Chief Executive.

12 Delegation of Authority by the Group Board

- 12.1 The Group Board retains authority over matters reserved to it, matters that create significant financial, regulatory, reputational or other risk to the L&Q Group, and matters that raise material issues of principle. No major change in strategic direction or risk profile should be entered into without prior Board approval unless urgent action is taken under an approved delegated authority.
- 12.2 **The Committees**
- 12.3 Group Board has established four committees to which specific powers, duties and decision-making responsibilities have been delegated to:
- 12.4 **Audit and Risk Committee** – its role is to support the Group Board in its responsibilities in relation to risk, external and internal audit, financial reporting, internal control, risk and assurance.
- 12.5 **Asset and Development Committee** – It supports the Group Board through oversight of strategic asset management, investment in existing homes, development strategy, environmental and climate commitments within remit, and major projects, including approval of schemes within delegated authority and recommendation of reserved matters to Group Board.

- 12.6 **Remuneration and Nominations Committee** – its role is to support the Group Board in relation to Board and Committee composition, appointments, succession planning, performance, and remuneration across the Group.
- 12.7 **Resident Experience Committee** – supports the Group Board through scrutiny of resident experience, customer outcomes, complaints, resident engagement and customer facing service delivery, including oversight of service areas delegated to it and escalation of material issues affecting compliance, resident outcomes or delivery of the Service Delivery Strategic Plan.
- 12.8 The terms of reference for each committee will be reviewed by the Group Board at least every 3 years. Membership of committees shall be recommended by the Remuneration and Nominations Committee and approved by the Group Board. Committees shall ordinarily comprise a majority of Group Board members to ensure clear accountability.
- 12.9 The minutes of each committee meeting will be submitted for information in Group Board meeting papers. Committee Chairs shall provide concise, time-bound updates to Group Board focused on key decisions, assurance gained, material risks and matters requiring escalation or Board attention.

13 Executive Group

- 13.1 The Executive Group is responsible for establishing and maintaining clear lines of responsibility within their departments for financial and non-financial matters to their directors, senior managers and Employees. Individual Group Directors are responsible for the development and recommendation of strategy to the Executive Group and subsequently to the Group Board.
- 13.2 **Strategy & Performance**
- 13.3 The Group Board requires that any proposals to act otherwise than in accordance with approved strategy must be pre-approved by the Group Board.
- 13.4 The Group Board will on a rolling basis consider, probe, challenge, approve and review the Group's overall strategy as reflected in the corporate plan, together with specific strategies selected by the Board. In addition, policies of strategic importance to L&Q's operations shall be approved by the Group Board.
- 13.5 Run-the-business performance, operational delivery and management action are the responsibility of the Executive Group and Governance Groups, except where issues are escalated through Committee or Board reporting by exception.
- 13.6 Where applicable, recommended delegation limits will be included in each strategy.

13.7 All activities undertaken by the L&Q Group will be subject to internal audit. The Audit & Risk Committee and the Executive Group will receive summaries of all internal audit reports.

13.8 Where relevant, detailed internal audit reports will be submitted to the Governance Groups

The Executive Group will receive summary monthly KPI reports. In addition, it shall receive monthly dashboard reports from the Governance Groups.

14 Relationship Between the Governance Groups, Executive Group and Group Board Committees

14.1 The Group Board delegates responsibility for the day-to-day management of L&Q and the delivery of Group Board approved strategy to the Executive Group, led by the Group Chief Executive. The Executive Group has authority for decision making in all areas, except those set out in the Schedule of Matters Reserved for the Board.

14.2 Although the Executive Group are ultimately accountable to the Group Board for ensuring the operations of L&Q are executed within the limits of Board approved strategy, several officer led decision-making bodies (“Governance Groups”) have been established to support the Executive Group by sub-delegating its operational performance oversight responsibilities, whilst simultaneously developing the capacity of senior managers to take key organisation wide decisions:

14.3 The basis of the relationship between the Board and the Executive Group should be mutual respect. The Group Chief Executive and their team are accountable to the Board, but for the L&Q Group to thrive, initiative and creativity have to be encouraged. The Board should therefore maintain constructive attitude towards the Executive Group and in return expect them to accept reasonable criticism.

14.4 **Investment & Property Group:** its key objectives are to ensure that development schemes up to a Group Board approved limit are not committed to without the prior approval of the Investment & Property Group; and to monitor project performance on a programme basis. It also oversees delivery of the Homes strategic pillar of the L&Q Group’s corporate strategy.

14.5 **Governance & People Group:** oversees delivery of the People, Governance and Assurance strategic pillars of the L&Q Group’s corporate strategy

14.6 **Customer Group:** oversees delivery of the Customer strategic pillar of the L&Q Group’s corporate strategy. It is responsible for oversight and coordination of all customer focused initiatives and decision making, including resident engagement and involvement and is also aligned to the Resident Experience Committee and the LQL Board.

14.7 **Change Group:** oversees L&Q’s Transformation and Change Portfolio.

- 14.8 **Senior Leadership Group:** oversees delivery of the Finance strategic pillar of the L&Q Group's corporate strategy. It is also responsible for cross-directorate matters, such as oversight of the overall corporate strategy and corporate plan and IT and ensuring alignment across the four groups.
- 14.9 Membership of decision-making bodies is agreed by the Group Chief Executive, in consultation with the Executive Group.
- 14.10 Governance Groups are officer-led bodies and form part of the executive management structure. They do not constitute formal governance bodies of the Group and operate within authority delegated by the Executive Group.

15 Relationship Between the Group Board and the L&Q Living Limited Board

- 15.1 There is a separate board for LQL. In line with the NHF Code of Governance, the following comprise a summary of the L&Q Living Board's duties and responsibilities:
- 15.2 Take ultimate responsibility for all of the activities, applicable statutory and regulatory requirements and the resources of L&Q Living Limited; Require that management information is prepared and put forward to facilitate comprehensive monitoring of performance and compliance;
- 15.3 Establish a strong working relationship between the Group Board, the LQL Board, the Group, and other senior Employees;
- 15.4 Adopt the NHF Code of Conduct and Code of Governance and provide a statement of compliance and non-compliance in its annual review and accounts;
- 15.5 Draw up a schedule of significant matters specifically reserved for the Board's decision which cannot be delegated to the Executive Group.

16 Delegations to Employees by the LQL Board

- 16.1 Under the Group governance and operating arrangements, L&Q provides a range of corporate and operational support services to LQL in accordance with the Intra Group Agreement and associated Service Level Agreements. These arrangements set out the responsibilities delegated by the LQL Board to the Group Chief Executive and Executive Group for the day-to-day management and delivery of agreed services on behalf of LQL. The LQL Board specifically delegates day-to-day responsibility for care and support activities to the Director of Care and Support.

16.2 **Size and membership of LQL Board**

16.3 The LQL Board shall consist of a minimum of five and a maximum of twelve members, of whom one shall be an Executive Group Director and one shall be a member of the Group Board.

16.4 The Rules allow for the appointment of up to three co-optees to serve on the LQL Board. All members of the LQL Board, save for co-optees and employees, must be shareholders. Co-optees may act as LQL Board members in all respects, save that they may not take part in deliberations or vote on the election of officers to LQL or matters relating to shareholders..

16.5 **LQL Board appointments and terms of office**

16.6 Appointments, elections and dismissals shall be carried out in accordance with the Rules of LQL.

16.7 The term of office for members of the LQL Board shall be three years, subject to annual appraisal. The maximum period of office is usually two terms of three years, which shall apply to all board service within the L&Q Group, at which point board members would ordinarily be expected to retire.

16.8 Retiring board members at the end of each three-year term may seek re-election, subject to the recommendation of the Remuneration & Nominations Committee, which will consider organisational need, past and expected future performance, commitment and attendance. The tenure of LQL Board members should, where appropriate, be aligned with Group Board appointments to support effective governance and continuity across the Group structure.

17 **Members Agreement for Services, Board Payment and Expenses**

17.1 The legal relationship between Group Board members and L&Q is set out in an agreement for services. Under this agreement, the member is paid a fee in return for their commitment and fulfilment of their duties as a Group Board member. The agreement does not constitute an employment contract.

17.2 Payment of Board members commenced on 1 January 2008. Individual members cannot opt out. Fees are paid by L&Q monthly, in arrears by BACS. Fee levels received by Group Board members for specific roles are determined by the Remuneration & Nominations Committee, after having received independent professional advice.

17.3 Group Board members are entitled to claim expenses for costs incurred on L&Q's behalf. This includes such things as the reasonable costs of travelling to and from openings or other events, conference fees when they attend in their L&Q capacity, hospitality extended on behalf of the L&Q Group, childcare costs incurred etc. In

addition, expenses can be claimed for all meetings. Expenses claimed in connection with attending L&Q's registered office are fully taxable.

- 17.4 When using their own car for travel on behalf of the L&Q Group, the Employees casual mileage rate will be paid for each mile travelled. Attendance allowances are not paid.
- 17.5 Board members will submit signed expense claims or details of expenses to the Group Company Secretary. The Group Company Secretary is responsible for checking the claim and authorising the Finance Department to arrange a BACS transfer or issue a cheque in reimbursement of the approved costs.
- 17.6 Details of the level of fees made to each Group Board member shall be fully disclosed on a named basis in the Group Financial Statements, in accordance with the NHF Codes of Conduct and Governance.
- 17.7 Group Board members shall receive a summary of the terms of the Directors & Officers insurance (D&O insurance) cover arrangements in place for the L&Q Group from time to time. D&O insurance is intended to protect trustees, directors, officers, and employees in respect of their personal liability arising out of an actual or alleged Wrongful Act (as defined under the D&O insurance) committed in the course of their management duties.
- 17.8 LQL follow the principles outlined above except that payments are made quarterly in arrears by BACS and claims should be made to the Governance team for processing.

18 Recruitment

- 18.1 The objective of recruitment and selection of new Group Board and Board Committee members is to ensure that collectively the Group Board possesses the skills required to perform its role.
- 18.2 The Remuneration and Nominations Committee oversees recruitment, appointment and succession planning for Group Board and Committee members, including recommendations on skills, diversity, committee composition and future recruitment priorities.
- 18.3 Recruitment for Board and Board Committee vacancies will be open and transparent, based on merit and objective selection and assessment techniques, and conducted in accordance with the L&Q rules, the NHF Codes of Governance and Conduct and the Group Board Recruitment & Renewal Policy.
- 18.4 For the avoidance of doubt, residents with the specified skills and experience are welcome to apply for any Group Board and Board Committee member vacancies.

19 Induction, Training and Briefing

- 19.1 The Group Chair, in liaison with the Group Company Secretary will ensure that new members of the Group Board receive a formal letter of appointment, together with a properly resourced and individually tailored induction programme. This will be drafted by the Group Company Secretary in consultation with the new member, the Group Chair and the Group Chief Executive. The aim will be to enable the new member to meet officers, learn about L&Q's key strategies and policies and visit a selection of properties. In addition, the new member will receive an induction pack that will include, amongst other things, a copy of L&Q's Rules.
- 19.2 Keeping abreast with developments in the affordable housing sector is crucial for members and therefore all members of the Group Board will be provided with a copy of the weekly magazine "Inside Housing" and other relevant, specialist press.
- 19.3 **Training.** The Group Chair, in liaison with the Group Company Secretary, will ensure that effective arrangements are made to devise a training programme to enhance the skills, experience and knowledge of all its members on an ongoing basis. The training needs of individual members will be discussed during the annual appraisals and where appropriate, a training programme drawn up.
- 19.4 **Briefing.** Each year the Group Board has a programme of briefings for the Group Board that are designed to develop members understanding of aspects of L&Q's business.
- 19.5 A formal induction programme and checklist shall be maintained and completed for all new Board and Committee members. Training and development shall be aligned to appraisal outcomes and identified skills gaps.

20 Appraisals and Performance

- 20.1 The appraisal scheme aims to improve the collective performance of the Board and its Committees and the contribution of individual members. It enables members to assess their own and others level of performance, recognise strengths, identify skills gaps that need to be addressed and plan activities which they, and others, can undertake to develop their performance and effectiveness.
- 20.2 The Board shall review annually its own effectiveness and that of its Committees, with an externally facilitated review at least every three years. Individual Board member appraisals shall be undertaken annually through a structured appraisal process led by the Group Chair, with separate arrangements for appraisal of the Group Chair, Deputy Chair and Senior Independent Director.
- 20.3 The appraisals will establish the training and other needs of members and set targets for individuals as necessary.

20.4 Appraisal systems will:

- identify the Board's ability to scan the operating environment, think strategically and adapt as necessary;
- review how well the Board performs its key roles and how successful it has been;
- review the effectiveness of Board relationships and its role as a team;
- assess how the Board is viewed by key contacts, e.g., regulators, investors, local authorities, tenant groups etc;
- review the composition of the Board, the skills and contribution of its individual members;
- review the organisation's ability to recruit and retain the balance of Board members it needs;
- assess the effectiveness of Board processes, including its accountability;
- assess the level and quality of the information the Board receives;
- review the training and development needs of individual Board members as well as the Board as a whole;
- include the assessment of the Group Chair and the SID;
- result in a clear plan to support continuous improvement of the Board to meet the challenges faced by the organisation; and
- address whether the Board provides enough support, scrutiny and challenge to the Executive Group.

21 Governance Review

- 21.1 The Group Board shall review annually the effectiveness of governance arrangements across the Group, including Board and Committee effectiveness, delegated authorities, governing documents, subsidiary oversight arrangements and compliance with governance standards. The Board shall receive annual assurance that governing documents and delegations have been reviewed and remain fit for purpose.
- 21.2 There must be a formal review of these matters at least every three years which will generally be externally facilitated.

22 Key Elements from the L&Q Code of Conduct

- 22.1 Members of the Group Board, LQL Board, Group Board's committees and directors of subsidiaries of L&Q are required to adhere to the letter and spirit of the L&Q Code of

Conduct. The L&Q Code should be followed as a guide to the behaviours expected of individuals connected with L&Q and has been adopted pursuant to L&Q's adoption of the NHF Code of Conduct.

- 22.2 Group Board and Committee members have been provided with a copy of the L&Q Code of Conduct. Members must familiarise themselves with its contents and act in accordance with its principles and provisions at all times.
- 22.3 **Disclosure of relevant interests:** Disclose to the Group Chair, the Group Company Secretary and the Board the precise nature of any direct or indirect pecuniary interest or other interests which could influence judgement or give the impression that the Board member, Board Committee member or director of an L&Q subsidiary was acting for personal motives. Such Board or Board Committee member, or director of an L&Q subsidiary must not participate in the decision-making process in relation to such matters. The Board shall act at all times in accordance with the Rules. This may include requiring a Board, Board Committee member or director of an L&Q subsidiary to withdraw from the meeting at which the matter was discussed unless specifically invited to remain. The part of the treatment of such matters will be formally minuted.
- 22.4 For the avoidance of doubt, it is required that:
- Board members, Executive Group members and other senior Employees, complete a quarterly declaration of interests form and submit the same to the Group Company Secretary.
 - The Group Company Secretary ensures that a Register of Interests is established to formally record declared interests.

23 Equality, Diversity & Inclusion Policy

- 23.1 L&Q's Equality, Diversity and Inclusion policy was drawn up in consultation with its colleague diversity networks and Unison. It applies to employees, agency workers, consultants, contractors and trainees, and aims to advance equal opportunities and ensure an inclusive culture in which everyone is treated with dignity and respect.
- 23.2 The commitment to equality, diversity and inclusion is embedded within the objectives of the 5-year Corporate Plan and within the Values and Behaviours Framework.
- 23.3 Group Board and the Executive Group Director team are responsible for ensuring that:
- the Equality, Diversity and Inclusion Policy is implemented and understood through the organisation;
 - all organisational targets for equality, diversity and inclusion are met; and
 - our Board and committees are representative and are recruited to in an open and accountable manner.

24 Declaration of Interests

- 24.1 L&Q has a clear policy and procedure for its members, Employees and involved residents to identify, declare, record and manage any actual, potential and perceived conflicts of interest.
- 24.2 Declarable personal interests can take many forms. Some of the usual ones are:
- Employment, ownership or significant shareholding (over 5%) in a company or partnership providing products and services to the housing association sector
 - Significant ownership of land and or property in the area of operation of the group
 - Tenancy or leasehold interest of a property owned by L&Q
 - Membership of a campaigning residents' or community organisation which has interest in the business and or operation of L&Q
 - Membership of a local authority, another public body, or another association or unregistered 'not for profit' body with interests in area of operation of L&Q
 - Membership of mutual support organisations, professional bodies and pressure groups.
 - Significant investments (over 5%) in any form of business that may seek to do business with the L&Q Group
- 24.3 This list is not exhaustive and in the interests of transparency members will make a full disclosure of interests where there is any doubt.
- 24.4 When considering the appointment of prospective new Group Board members, the interests of the individual will be taken into account and where it is indicated, following investigation, that an actual or potential conflict of interest may prevent a potential Board member from acting in the best interests of L&Q an appointment will not be made.
- 24.5 If a Group Board member acquires or takes up an interest, or a person closely connected with them does so, which may conflict with the interests of L&Q while being a Board member, the Board will consider this and decide whether the Board member will be invited to stand down.
- 24.6 All conflict of interests will be reported to the Board and formally recorded in the minutes of the meeting. Where evidence exists that an individual Board member has deliberately withheld information or provided misleading information about their interests or those of a person closely connected with them the Board will consider their removal from office.
- 24.7 Board members who are residents of L&Q Group entities will regard matters specifically concerning their individual circumstances as a clear and substantial

conflict; matters affecting residents more generally need be declared only where they create a specific conflict of interest.

- 24.8 A register of board and committee member declarations of interest is reported to Group Board annually and made available on the L&Q website.

25 Gifts & Hospitality

- 25.1 All Employees, Board and Committee members should act in accordance with the L&Q Group's policy in relation to the receiving and giving of gifts and hospitality. In summary, the policy states that only gifts, of a trivial nature may be accepted without being declared.
- 25.2 Extravagant hospitality, received or given, is prohibited.
- 25.3 **Restrictions on engaging L&Q contractors**
- 25.4 Employees, Board and Committee members are prohibited from seeking to gain any special advantage by virtue of their connection with the L&Q Group to use the services of a consultant, contractor, professional adviser or other individual or firm which has been commissioned by the L&Q Group. If a Board member intends to use the services of any such body or individual, the arrangement must first be declared to and approved by the Group Company Secretary before the transaction takes place. Approval will only be given if there is no suitable or reasonable alternative provider.

26 Accountability

- 26.1 In accordance with the NHF Code of Governance, the Boards of the L&Q Group will operate openly and transparently, and demonstrate accountability to key stakeholders including residents, other customers, and partner statutory bodies.
- 26.2 The Board will publish information annually about L&Q's activities, performance and plans for the future.
- 26.3 Each Board should identify the range of stakeholders to which it is accountable, and ensure that each group, where relevant, has the appropriate influence over or involvement in, planning and decision-making.
- 26.4 **Involvement of residents, communities, and neighbourhoods**
- Recognise the involvement of residents, communities, and neighbourhoods as a major focus of accountability, and ensure that the L&Q Group has adopted a comprehensive package of measures that meet their needs. They will adopt policies for communicating with residents and others in their community about the work and performance of the organisation.

- Ensure L&Q Group's policies on complaints includes provision for Board members to raise concerns about service delivery and to communicate concerns raised by tenants, residents, and service users through the appropriate channels.

26.5 **Embedding accountability to residents**

- Board members may participate in a number of events throughout the year to ensure their regular engagement with residents and embed accountability. Particularly, Board members must attend at least one Residents Assembly annually.

27 **Openness & Transparency**

- 27.1 L&Q encourages an open and transparent approach to the provision of information. To demonstrate this commitment, L&Q publishes a range of materials and maintains an up-to-date website providing accessible and comprehensive information about its services, activities, and governance arrangements across the Group and its subsidiaries.
- 27.2 The L&Q Group conducts its activities in an open, transparent and accountable manner in relation to its tenants, residents, service users, local communities, local authorities, employees, investors, lenders, regulators and other stakeholders. This includes compliance with applicable transparency requirements, including the Social Tenant Access to Information Requirements (STAIRS) regime, ensuring that information is made available in a way that supports scrutiny, accountability and trust, and reflects the Group's purpose to serve people in need.

28 **Confidentiality**

- 28.1 The Group Board and Committees will normally only treat information, reports, papers or minutes as confidential for the following reasons:
- where items concern specific individuals or their financial affairs – tenants, Board members or employees;
 - where items concern the terms of negotiations relating to the acquisition or disposal of property or the supply of goods or services or the involvement of the Group in new areas of work;
 - where items concern Employees relations, consultations or negotiations with Employees.
 - where items concern legal proceedings
 - where items have been specifically marked 'confidential'.

- Where in doubt, advice should be sought from the Group Company Secretary before any information is disclosed.

29 Requests for Information

- 29.1 The Group Director Governance & Transformation will normally deal with requests for information in line with the principles set out above. Queries about documents will be passed to the manager of the department originating the document. In exceptional circumstances, documents may be released to other categories or recipients not shown. This will be at the discretion of the appropriate Director, or in their absence, another Director. In most cases, requests for information must be dealt with in 5 working days.

30 Board Complaints Policy

- 30.1 The Group Board Complaints Policy provides procedural guidance intended to address the following allegations and issues:
- where a Group Board or committee member makes a complaint against another Group Board or committee member
 - where a Group Board or committee member wishes to raise a grievance against around the way they have been treated
 - where a member of Employees or stakeholder wishes to raise a complaint against a Group board or committee member
 - Where the organisation identifies specific performance or behavioural issues
- 30.2 The Board Complaints Policy prescribes that in instances where board members wish to make a complaint in respect of executive members of the Board, they are expected to raise issues through the relevant Group Chair or, alternatively, directly with the Group Chief Executive or relevant Executive Director.

31 Resolution of Differences Within the Group

- 31.1 This section of the Standing Orders relates to the resolution of differences of view between Boards within the L&Q Group. The Regulator of Social Housing requires the Group parent to retain ultimate control over the activities of its subsidiaries; however, L&Q policy promotes the resolution of all matters of disagreement through early engagement, negotiation and constructive discussion.
- 31.2 In the case of a difference of view between the Group Board and a Committee, the decision of the Group Board shall prevail. The Chair of the Audit and Risk Committee

may report any such decision to the external auditors (and, where appropriate, to external regulatory bodies), following discussion with the Board on the proposed course of action. The Chair of the Audit and Risk Committee shall have access to independent legal advice from L&Q's appointed or usual legal advisers in such circumstances.

- 31.3 Differences of view between L&Q and LQL that cannot be resolved through negotiation and discussion shall be addressed in accordance with the dispute resolution provisions set out in the Intra-Group Agreement.
- 31.4 In the event of the acquisition of a new Group company, any differences of view not resolved through negotiation and discussion shall be managed in accordance with the dispute resolution provisions of any applicable merger or acquisition documentation. In the absence of such provisions, the matter shall be referred to the next meeting of the Group Board, whose decision shall be final and binding.
- 31.5 In all cases, the Rules of L&Q, as the parent of the Group, shall be applied, together with the requirements and expectations of the Regulator.

32 Whistleblowing Policy

- 32.1 L&Q's Whistleblowing policy was drawn up in consultation with Unison and applies to employees, agency workers, contractors, and trainees. The Whistleblowing Policy is designed to encourage individuals with serious concerns regarding aspects of their work to express their misgivings, with due consideration given to fears of possible reprisal and victimisation.
- 32.2 Under the policy two members of the Group Board provide their mobile phone numbers to Employees in acknowledgement that concerned parties may feel happier raising their disquiet at Group Board level rather than via their line management.
- 32.3 LQL will follow the principles outlined above.

33 Miscellaneous

- 33.1 **Stress testing, monitoring and recovery planning.**
- 33.2 Stress testing, monitoring and recovery planning are undertaken to ensure compliance with the Group's approved Financial Golden Rules, risk tolerances and lender covenants. The Financial Golden Rules represent the primary internal thresholds for financial resilience and act as early warning indicators to trigger escalation and recovery actions where performance is forecast to deteriorate.
- 33.3 L&Q undertakes regular stress testing against identified risks and combinations of risks across a range of scenarios that could have a severe impact on its financial or operational viability. These scenarios are calibrated against potential breaches of

Financial Golden Rules and lender covenants, with appropriate mitigation strategies developed to protect long-term viability and safeguard social housing assets.

33.4 Monitoring of early warning indicators is undertaken through the review of financial and operational data by operational teams, the Senior Leadership Group, the Executive Group and the Asset and Development Committee. The Financial Plan is updated regularly and subject to ongoing scrutiny. L&Q's Active Risk Management (ARM) framework, through which operational risk registers are maintained, is integrated with the Financial Plan to ensure a consistent and comprehensive view of risk exposure.

33.5 If the Executive Group forecasts that the Group may operate below approved Financial Golden Rule tolerances, they shall notify the Group Chair. The Group Board will have three options:

- Accept a temporary breach of tolerance where there is a credible and time-bound recovery plan.
- Task the Executive Group with identifying efficiencies, cost reductions or corrective actions.
- Initiate the Group Board Recovery Group.

If the Executive Group is unable to produce a viable recovery plan, the Group Chair shall be notified immediately and an emergency Group Board meeting convened.

If the Executive Group forecasts that the Group may breach its lender covenants, the Group Chair shall immediately establish a Recovery Group.

33.6 The Recovery Group (RG) shall be established by and operate under the authority of the Group Board.

33.7 The Recovery Group will include relevant members of the Executive Group and key representatives from across the business, depending on the nature of the risk scenario and the expertise required. The Recovery Group shall be empowered to take decisions and implement measures necessary to restore compliance with Financial Golden Rules, risk tolerances and lender covenants.

33.8 A detailed financial plan, including sensitivities and scenario analysis, shall be prepared to support the Recovery Group in understanding the financial implications of proposed actions and ensuring that recovery plans are realistic and deliverable.

33.9 The strategic objective for the Recovery Group shall be to restore financial resilience and viability, prioritising:

- Contractual and legal obligations
- Statutory and regulatory requirements, and
- The health and safety of residents

- 33.10 The Recovery Group shall oversee management's implementation of the recovery strategy and report regularly to the Group Board. In doing so, it shall consider, where relevant:
- the current state of the residential market;
 - short- to medium-term cash requirements (including a minimum 18-month horizon);
 - available liquidity, including liquid and semi-liquid assets;
 - discretionary and non-essential expenditure (i.e. expenditure not required to meet statutory or legal obligations);
 - the status of development schemes, including contractual commitments and the ability to defer or rephase delivery;
 - whether the underlying issue is organisation-specific or sector-wide, and any response from the Regulator or Government;
 - notification requirements to regulators and lenders;
 - communication requirements with partners and other stakeholders;
 - the completeness and accuracy of the register of assets and liabilities, including full visibility of all funding arrangements; and
 - potential strategic or financial partners where a breach is considered irrecoverable.
- 33.11 **Procuring legal advice outside the procedure for independent professional advice for Group Board Members**
- 33.12 Whilst it is anticipated that in most circumstances Board members seeking legal advice shall do so with the support of the Group Company Secretary, it is acknowledged that there may be some exceptional circumstances in which Board members may feel it is not appropriate to follow the procedure outlined above.
- 33.13 In such cases any of the Group Chair, the Chair of the Audit & Risk Committee, Chair of the Remuneration and Nominations Committee and Group members named under the L&Q Whistleblowing policy are required to consult L&Q's primary legal advisors on corporate governance matters on behalf of the Group Board. This is in order to take preliminary advice to determine whether or not the nature of the query is such that it is appropriate to procure it outside these Standing Orders and, if so, how the advice should be procured.
- 33.14 **Power of Attorney**
- 33.15 Group Board has approved the grant of a power of attorney to enable the simplification of document execution processes. The use of a power of attorney would be a permanent signing option for L&Q in view of many colleagues moving to agile working arrangements.

- 33.16 The power of attorney will enable a single officer to execute both legal documents and deeds in the presence of a witness. As well as conferring the power to sign documents, the power of attorney will also confer on the attorney, the power to approve documents subject to such amendments or variations as they consider fit. This power will, generally, only be appropriate where the attorney's interests are fully aligned with the Group member.
- 33.17 The L&Q list of attorneys includes Executive Group members, senior officers who are directors of L&Q subsidiaries, a limited number of other senior officers and members of the governance team.
- 33.18 Attorneys may not delegate their authority in whole or in part except with the express authority of the L&Q.
- 33.19 The power of attorney will be time limited to a 12-month period and will be reviewed on an annual basis.

34 Documents Having the Authority of Standing Orders

- 34.1 The Schedule of Matters Reserved for the Board (Appendix 6), and all other documents expressed to be Standing Orders of L&Q, shall have the effect as if incorporated in these Standing Orders.

35 Compliance

- 35.1 Failure to comply with these Standing Orders, the Schedule of Matters Reserved for the Board, and all other documents expressed to be Standing Orders of L&Q, may be a serious disciplinary matter. This could result in dismissal for Employees and a Board member being removed by the Group Board in accordance with the Rules of L&Q.

36 Policy Controls Sheet

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Associated documents: L&Q Rules, Committees Terms of Reference, NHF Code of Governance, Employees Code of Conduct, L&Q Housing Trust Power of Attorney, Whistleblowing Policy, Board Complaints Policy, Gifts & Hospitality Policy and Conflicts of Interest Policy.

Appendices:

1. Audit and Risk Committee Terms of Reference
2. Asset & Development Committee Terms of Reference
3. Remuneration and Nominations Committee Terms of Reference
4. Resident Experience Committee Terms of Reference
5. Governance Groups Terms of Reference
6. Schedule of Matters Reserved for the Board
7. Executive Group Terms of Reference
8. LQL Board Terms of Reference
9. Executives on the Board Policy
10. Board Complaints Policy
11. L&Q Group structure
12. Participation and Accountability Statement