

SYNCORA COMMON BOARD (the “Board”)

TERMS OF REFERENCE

1. Purpose

- 1.1. The purpose of the Board is to:
 - 1.1.1. define for Syncora Limited and its Subsidiaries’ (“the Companies”) the social purpose, mission, values and ambitions, and embed these within the Companies;
 - 1.1.2. set the Companies’ plans and strategies and exercise oversight of their delivery; and
 - 1.1.3. manage the risks faced by the Companies.
- 1.2. The Board will control the activities of the Companies but will delegate day-to-day responsibility for carrying out those activities to the Executive Team and senior staff.
- 1.3. The Board is independent of the Group Board, and will exercise its fiduciary duties for the benefit of the Companies and in accordance with the status of some subsidiaries as Registered Charities. The Board will, however, collaborate with the Group Board and other Operational Boards, and exercise its fiduciary duties as far as a possible in a manner that supports the strategies, policies, financial viability and legislative and regulatory obligations of the Group and other Group subsidiaries.

2. Specific responsibilities

Mission and values:

- 2.1. Establish and approve the strategic direction of the Companies, including their purpose, mission and values, strategic objectives and financial business plan, set in accordance with Group purpose, values and strategy.
- 2.2. Ensure compliance with the constitution documents, and charitable and regulatory requirements for the Companies.
- 2.3. Approve a Code of Governance for the Board and, at least annually, monitor compliance with the adopted Code;

- 2.4. Establish a strong working relationship with the Group Board, other Operational Boards, Group Chief Executive, Executive Team and senior staff that enables effective collaboration, communication and delivery of the mission, values and strategic objectives.
- 2.5. Oversee customer engagement across the Companies, ensuring there are policies, frameworks and opportunities which enable, encourage and support customers to engage with, influence and contribute to strategic decision-making and service delivery.
- 2.6. Establish a strong working relationship with the SafeNet Women's Advisory Group (SWAG) to support the purpose, vision and objectives of SafeNet, and enable SWAG to raise awareness of domestic abuse issues and developments at a strategic level with the Syncora Board.
- 2.7. Ensure the Board has access to insight into the views and needs of the Companies' customers (including insight into their concerns and complaints) and uses this to inform decisions where appropriate.
- 2.8. Demonstrate a clear and active commitment to achieve equality of opportunity, diversity and inclusion in all of the Companies' activities, including the composition of the Board.
- 2.9. Oversee the Companies' arrangements for ensuring high standards of probity. In particular:
 - 2.9.1. Establish a code of conduct and expected behaviours for the board;
 - 2.9.2. approve the Companies' policies and arrangements for its employees and contractors to raise concerns in confidence about possible wrongdoing in financial reporting or other matters. Receive reports from the Audit & Risk Committee on the implementation of these policies;
 - 2.9.3. approve the Companies' policies for detecting fraud and receive reports on fraud, misappropriation of funds or financial misconduct. Receive reports from the Audit & Risk Committee on the implementation of these policies;
 - 2.9.4. approve the Companies' policies for the prevention of bribery and receive reports on non-compliance. Receive reports from the Audit & Risk Committee on the implementation of these policies;
 - 2.9.5. Approve the Companies' policies for the Declarations and Gifts and Hospitality. Receive reports from the Audit & Risk Committee on the implementation of these policies.

Strategy and delivery:

- 2.10. Collaborate with the other Operational Boards on the delivery of strategy and achievement of strategic objectives
- 2.11. Approve constitutional changes for the Companies, including the creation of new subsidiaries, mergers and demergers, subject to approval also by the Group Board.
- 2.12. Approve Intra-group Agreements and Service Level Agreements between the Companies and other Group entities.
- 2.13. Approve the allocation of the Companies' surpluses, cash reserves and other resources, including intra-group transfers and loans, to enable delivery of the Companies' strategic objectives and in compliance with Intra-group Agreements, legislative, charitable and regulatory requirements.
- 2.14. Approve a strategic corporate plan and objectives for the Companies.
- 2.15. Approve the financial business plans and budgets of the Companies.
- 2.16. Monitor the delivery of strategic objectives, financial plans and the operational performance of the Companies.
- 2.17. Oversee the provision of health, care and skills services (excluding care homes) across the Group.
- 2.18. Approve the key operational policies necessary for efficient and effective governance, regulatory and legislative compliance and financial viability of the Companies.
- 2.19. Approve the key operational policies that might create significant financial or other risk to the Companies, or that raise material issues of principle.
- 2.20. Approve strategic partnerships, expenditure, contracts, new initiatives, property developments, acquisitions and disposals in accordance with the approved scheme of Delegated Authorities.
- 2.21. Approve an annual report of the effectiveness of internal controls, ensuring that any ring-fencing obligations associated with social housing assets are met.
- 2.22. Ensure that regular reports are provided to service users on how commitments to customer focus have been delivered.

- 2.23. Consider and approve, on recommendation of the Nominations & Remuneration Committee, any major changes in employee benefits structures, including annual pay awards and pension arrangements.

Control and assurance:

- 2.24. Ensure a risk management framework and appropriate systems of control exist to protect the assets and reputation of the Companies, and review the Companies' risk management framework at least annually.
- 2.25. Review and assess regularly the risk exposure of the Companies, and ensure risks are managed in accordance with the Board's risk appetite.
- 2.26. Receive and monitor at least annually an assessment of compliance with relevant legislation and regulatory requirements. In particular:
- 2.26.1. compliance with health and safety legislation relating to properties for which the Board has oversight responsibility, including gas, electrical, fire risk, water hygiene and asbestos;
 - 2.26.2. compliance with effective safeguarding practices relating to the personal safety of staff, customers and partners.
 - 2.26.3. whether the Companies are operating effectively, efficiently and economically;
- 2.27. Ratify the Governance Framework, incorporating governance and financial regulations, for the Companies, as approved by Group Board.
- 2.28. Ratify a scheme of Delegated Authorities for the Companies, including delegations to the Group Chief Executive, the Executive Team and staff, as approved by Group Board.
- 2.29. Receive reports from the Audit & Risk Committee on the results of the Internal Auditor's work and the Committee's monitoring of implementation of agreed recommendations.
- 2.30. Receive reports from the Audit & Risk Committee on the effectiveness of internal controls, ensuring that any ring-fencing obligations associated with social housing assets are met, and approve the report on internal control in the consolidated financial statements.
- 2.31. Review, at least annually, a self-assessment of value for money delivered by the Companies.

- 2.32. Approve the financial statements of the Companies, and approve the adoption of material accounting policies and significant financial reporting issues and judgements which they contain, having regard to matters communicated to it by the External Auditor. Approve any representation letter(s) requested by the External Auditor in respect of the Company's financial statements.
- 2.33. Recommend to Shareholding Members the appointment, and if necessary, the removal of the Company's external auditors, considering the recommendation of the Audit & Risk Committee. Review the appointment of the external auditors at least every six years.

Board effectiveness:

- 2.34 Appoint the Chair and Vice-Chair (if applicable) of the Board, Board members and co-optees, considering the balance of skills, knowledge, experience and diversity of the Board and the role description and capabilities required for particular appointments, subject to ratification by the Group Board.
- 2.35 Consider and approve, on recommendation of the Nominations & Remuneration Committee, the remuneration to be awarded to Board Members.
- 2.36 Implement Group policies and arrangements for the appraisal of Board Members' performance and contribution to the governance of the Companies on an annual basis. All Board members are expected to participate fully in their own appraisal and those of other Board members.
- 2.37 Implement Group arrangements for the training of Board members.
- 2.38 Contribute to the annual appraisal of the Group Chief Executive by the Group Chair, as required.
- 2.39 Approve any payments on termination of contract to the Group Chief Executive, Executive Team members, or other senior staff, subject to contractual terms, ensuring that failure is not rewarded and any loss to the Company is mitigated adequately.
- 2.40 Collaborate with Group Board on the appointment of Executive Team members.
- 2.41 Appoint a Company Secretary for the Companies, subject to ratification by the Group Board.

- 2.42 Receive and monitor an annual assessment of compliance with the Board's chosen Code of Governance.

In performing any or all of the above duties, the Board shall liaise closely with relevant Operational Boards, Group Chief Executive, Executive Team members, and Syncora senior staff.

3. Delegated authorities

- 3.1. The Terms of Reference for the Syncora Common Board shall be approved by the Group Board.
- 3.2. The Group Board shall approve a scheme of Delegated Authorities for the Group and its subsidiaries.
- 3.3. The Syncora Board reserves for itself all authority not specifically delegated to other Operational Boards, Committees, Executive Team, Operational Directors or other staff in the scheme of Delegated Authorities for the Group and its Subsidiaries.

4. Reporting

The Board shall:

- 4.1. Report to other relevant Operational Boards promptly on matters within their terms of reference.
- 4.2. Make the minutes of each meeting of the Board available promptly to all Operational Boards, subject to redaction for confidential matters relating to an individual or individuals.
- 4.3. Ensure that other Operational Boards have opportunity to comment upon matters relevant to them, prior to approval by the Board.

5. Membership

- 5.1. The Board will comprise at least 5, and no more than 12, board members (excluding co-optees).
- 5.2. Members will be appointed by the Board in accordance with section 7 of the Articles, subject to ratification by the Group Board.

6. Meeting Administration

- 6.1. The Company Secretary or their nominee shall act as the secretary of the Board.
- 6.2. Meetings will be convened by the secretary of the Board at the request of the Chair of the Board.
- 6.3. The Board normally shall meet quarterly, and at least three times per year (in accordance with the Articles). Additional meetings may be held where required to enable effective governance. The quorum for Board meetings shall be one third of the appointed Board Members (rounded to the nearest whole number).
- 6.4. Unless otherwise agreed by all Board members, the notice of a meeting shall state the date, venue, and time of the meeting, together with the agenda of the meeting, and shall be issued to each member of the Board and any other person required to attend, no later than 5 working days before the date of the meeting.
- 6.5. The secretary shall minute the proceedings and resolutions of the Board meetings, including a record of the names of those present and in attendance.
- 6.6. Draft minutes of Board meetings shall be circulated promptly to all members of the Board and made available to all other Operational Board members subject to redaction for any confidential matters considered by the Board.
- 6.7. Approved copies of the minutes of the meetings of the Board should be maintained for the Company's records by the secretary.
- 6.8. The Board shall:
 - (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
 - (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
 - (c) give due consideration to Group policies, adopted Codes of Governance, laws, regulations and any published guidelines or recommendations regarding the matters within its remit.

7. Dispute

- 7.1. In the case of dispute on any matter within the Board, best endeavours shall be made to resolve the matter by negotiation and discussion. If the matter remains unresolved, the Chair of the meeting shall make a decision which shall be final.

