

Policy Name	Code of Corporate Governance – Director guidance
Policy No.	002

1. Corporate Governance

GHA is a private company Limited By Guarantee and registered in Guernsey. As GHA is, in part, funded by taxpayers’ money and has a social responsibility, the Board puts great importance on corporate governance and the need to operate to the highest standards. Although a number of codes of corporate governance exist, the Finance Sector Code of Corporate Governance published by the GFSC (the “Guernsey Code”) is most applicable as it consists of Principles which are readily capable of interpretation for non-financial sector businesses

Principle 3 requires good standards of business conduct, integrity and ethical behaviour and in a relatively small business community it is most important to manage conflicts of interest. As a result Policy 003 Code of Conduct has been adopted. In conjunction with this policy the Board maintains a Register of Interests to provide as much transparency as possible. It is hoped that the Directors will work together and reach a consensus on decisions. It is important that the Board maintains collective responsibility on any potential controversial decisions.

In addition statements to the media should only be made by the Chairman or the Chief Executive, or otherwise with the approval of a majority of the Board.

The Company is non-political and no serving politician can be a Director. For objectivity the GHA discourages Directors from using their position for political advantage. If a Director stands for political office then they would be asked to consider stepping down from their GHA Directorship.

2. Company set up

GHA was formed on 1 March 2002 and, as with all Guernsey companies, its Memorandum and Articles set out its purpose and internal regulations. In order to ensure operational independence, its shareholders are the current Non-Executive Directors on the Board, for the time being, who each hold a £10 share (the limit of their personal financial risk), relinquished immediately they are no longer GHA Board Directors. A condition of being issued this share is that an undertaking is signed (see below) to renounce the share when they leave the Board. In accordance with the Articles, GHA may have up to 12 Directors/Board Members. The Directors/Board

Members receive no dividend, and no payment other than any legitimate expenses incurred on GHA business.

GHA is a not for profit company registered with charitable objectives.

3. Regulation

GHA is regulated by, the States Committee for Employment and Social Security (ESS), which is responsible for States of Guernsey (SoG) social housing strategy, and the Policy and Resources Committee (P&R), under the provisions of a Framework Agreement which sets out the relationship between GHA and SoG.

These two SoG Committees act as the funder and regulator to GHA, and GHA supplies five year Business Plans updated annually, Monthly Management Accounts, Quarterly performance reports, detailed individual project funding approval reports (with 30 year cash flow projections), audited annual accounts, and attends States Committee Meetings to answer questions if required. The Framework Agreement also provides for GHA to provide assistance to other SoG Committees for more specialised social housing through service level agreements, provided ESS are in agreement.

The Framework Agreement includes provisions (if a Default Event occurs) giving SoG Step In rights to take control of the assets and liabilities of GHA. Upon appointment to the Board and as a shareholder, or Member, the Articles require that each GHA Director sign an undertaking with the SoG to procure the appointment of a SoG nominee as a member and resign if the GHA is in default of its obligations.

4. Board Objectives and Selection

The GHA Board's key objective is to ensure a clear governance structure and that a clear and sufficient senior management structure is in place to enable them to perform their duties effectively (Principle 1). The Board retain overall responsibility that, through sound governance, the Business Plan is delivered and that strategy and policy are set and reviewed. The GHA staff carry out the implementation, and report to the Board.

The intention is for the Directors to collectively possess an appropriate range of skills and experience to take decisions and to monitor GHA's performance, and individuals will be able to contribute their own talents and experience.

The range of collective skills could include:

- Understanding the Islands housing needs

- General business skills including staff issues and property management
- Tenants' issues and concerns
- Financial management
- Working with the States of Guernsey
- Public Relations
- Strategic management and planning
- Corporate governance
- Building design and costs
- Management and maintenance of homes
- Knowledge of supported housing
- Law

Prior to appointment, all Directors will be required to produce Identity Checks, certified copy of Passport and Utility Bill, and subject to a Basic Police Check. Upon appointment, directors will be offered a suitable induction programme (indicative list attached) and encouraged to ask questions about the operation of GHA.

Duties will include attending Board Meetings and any other related meetings particularly with GHA's funder/regulator ESS/ P&R. In addition Directors may be called upon to sign off payments to contractors and suppliers beyond the authorisation of the Chief Executive. This process can be done securely and remotely electronically. There will be occasional email correspondence requiring a decision, or just for information.

5. Board Meetings

The Board are responsible for deciding how often they should meet. Currently, there are four formal Board meetings a year, together with occasional meetings if specific significant topics require consideration and decisions. Quarterly meetings tend to last up to 3 hours. Whilst personal attendance is preferred, Directors may attend remotely by Zoom, or telephone. There may also on occasions be a meeting between the GHA Board and ESS.

The position as Director is honorary (unpaid) but Directors can claim reasonable legitimate expenses directly incurred by reason of their position. Mileage is not normally paid and meetings in Guernsey do not normally incur expenses.

6. Directors and Officers Insurance

The Company maintains a policy of insurance against the costs of litigation against the Directors provided that they have behaved properly.

Available on request are GHA's Articles, the Framework Agreement with the States, and the latest Business Plan.

Approved – March 2021	Review – March 2023
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