

## **Publica Group – Terms of Appointment for Non-Executive Directors**

### **General Duties of Non-Executive Directors**

#### **Role Summary**

Non-Executive Directors are chosen because they have a breadth of experience, and have particular personal qualities to bring to an organisation. They may also provide specialist knowledge which will help provide the organisation with valuable insights. Of the utmost importance is their independence in the management of the organisation. This means they can bring a degree of objectivity to the Board's deliberations.

#### **The Key Responsibilities of the Non-Executive Directors are as follows:**

**Strategic Direction** – to provide a creative and informed contribution to strategy formation, giving a wider view of external factors affecting the Company and its business environment, and act as a constructive critic in looking at the objectives and plans devised by the Executive Management Team;

**Monitoring Performance** – to monitor the performance of Executive Management Team in terms of the progress made towards achieving the approved Company Business Plan and delivery of the services to the Shareholders;

**Communication** – to maintain good communications with the Shareholders and to help connect the business and Board with the broader stakeholder community, including people and organisations which can assist the Company in achieving its objectives;

**Risk** – to ensure that financial controls and systems of risk management are robust and defensible;

**Audit** - to ensure that the Company accounts properly to its Shareholders by presenting a true and fair reflection of its actions and financial performance and that the necessary internal control systems are put into place and monitored regularly and rigorously.

#### **Role Description**

- To take corporate, team and personal responsibility as a Board member.
- To offer constructive criticism and challenge and any other contributions to board discussions and decisions which he/she may constructively make to the Executive Management Team.
- To contribute positively to the development of the Business Plan and in relation to any other material and significant issues facing the Company.
- To set challenging targets aimed at improving performance and delivering excellence, and against which the performance of the business can be measured and monitored.

- To communicate effectively with the Shareholders and ensure that their objectives are met and provide a wider community perspective on the operating environment of the Company through regular communication with other stakeholders.
- To ensure that the Company is operated in a safe, legal, efficient and environmentally sustainable manner.
- To participate in appropriate training on Board duties and accountabilities and to familiarise themselves with the Company's operation.
- Ensure that the obligations to members and other stakeholders are understood and met.
- Promote equality of opportunity and embrace diversity in the way the organisation goes about its work.
- To fulfil a time commitment of approximately 6 - 12 days per year as required and maintain a good attendance record at meetings.

### **Skills and Experience**

Whilst Non-Executive Directors are expected to have the following skills and experience, some training and development will be made available:

- knowledge and understanding of the current Local Government system in the UK and the development and monitoring of organisational or business strategy;
- understanding of the processes of planning, financial control, performance management and assurance that deliver the Company's objectives;
- credibility with internal and external stakeholders;
- the ability to understand complex strategic issues, to analyse and to resolve difficult problems;
- able to work as an effective member of the Board, all of whose members are equally and jointly responsible for its decisions;
- cognisant of the need for accountability to the Shareholders and able to bring engagement with the Shareholders and the broader stakeholder community

### **Specific Company Law Duties**

All directors must act in accordance with their statutory duties under the Companies Act 2006 (the "Act"). Directors should be aware of the following duties:

To promote the success of the Company - All directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit

of its shareholders as a whole. In doing so, a director must have regard (among other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the members of the Company.

Reasonable care, skill and diligence - A director has a duty to exercise reasonable care, skill and diligence exercised by a reasonably diligent person in similar circumstances with;

- the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the director in relation to the company (an objective test); and
- the general knowledge, skill and experience that that director has (a subjective test);
- ability to challenge constructively, and accept challenge where appropriate.

### **Term of Appointment**

It is agreed that the Non-Executive Director will be appointed on the basis of three year terms

Finally, it is important to acknowledge that a Non-Executive Director cannot subordinate the interests of the Company to those of the member Councils.