

CIVITAS SOCIAL HOUSING PLC
(the “Company”)

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

(Adopted by the Board on 20 November 2017 and amended on 21 November 2019)

The board of the Company (the “Board”) has adopted the following formal schedule of matters specifically reserved to it in relation to the Company and its subsidiary undertakings (the “Group”) for determination or delegation.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

1.	Strategy and management
1.1	Responsibility for the overall management of the Group and setting the Group’s culture, purpose, values and strategy.
1.2	Approval of the Group’s long-term objectives and commercial strategy.
1.3	Approval of the annual operating and target ongoing cost ratio budgets and any material changes to them.
1.4	Oversight of the Group’s operations ensuring: (a) competent and prudent management; (b) sound planning; (c) maintenance of sound management and internal control systems; (d) adequate accounting and other records; (e) compliance with statutory and regulatory obligations; and (f) the external alternative investment fund manager appointed by the Company from time to time (the “AIFM”) in discharging its services to the Company operates within the parameters set by the Board and in accordance with the Company’s investment objective and investment policy.
1.5	Review of performance in the light of the investment policy and objective.
1.6	Review and consider amendments to investment objectives and policy.
1.7	Review and approve any contracts of the Company, and any subsidiary, which are material, either by reason of size or strategically, e.g., bank borrowings/gearing arrangements
1.8	Review and approve any contracts of the Company, and any subsidiary, not in the ordinary course of business, e.g., loans and repayments; major acquisitions or disposals.
2.	Structure and capital
2.1	Changes relating to the Group’s capital structure including, but not limited to, raising new capital, reduction of capital, share issues, share buy backs (including the use of treasury shares), offering or granting options or rights to subscribe for shares, reviewing discount and premium management policy.
2.2	Major changes to the Group’s corporate structure, including, but not limited to acquisitions and disposals of shares outside the Company’s investment objective and policy.
2.3	Any changes to the Company’s listing or its status as a plc.
2.4	Alteration of the Company’s articles of association.
2.5	Any additional equity, debt fundraising or bank facilities.
3.	Financial reporting and controls
3.1	Approval of the half-yearly report and any preliminary announcement of the final results.
3.2	Approval of the annual report and accounts, including the corporate governance statement and directors’ remuneration report and the related annual financial results announcement.
3.3	Approval of the dividend policy.
3.4	Declaration of the interim dividends and recommendation of any final or special dividend.
3.5	Approval of any significant changes in accounting policies or practices.
3.6	Approval of treasury policies of the Group including, but not limited to, foreign currency exposure, interest rate exposure and the use of financial derivatives.
3.7	Approval of any profit forecast within the Group.
3.8	Approval of material unbudgeted capital or operating expenditures.

4.	Internal controls
4.1	Through the Audit and Management Engagement Committee, ensuring the maintenance of a sound system of internal financial control, internal control and risk management including: <ul style="list-style-type: none"> (a) setting the Company's initial process for risk diversification and gearing (including the Company's risk appetite statements) to be discharged and maintained by the AIFM; (b) receiving reports from the AIFM as regards the risk management function, reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives, and determining any action that may be required in relation to any concerns raised or perceived; (c) reviewing procedures for the detection of fraud and the prevention of bribery; and (d) approving an appropriate statement as regards internal controls for inclusion in the Group's annual report; (e) ensuring that third party service providers' internal controls are effective.
5.	Oversight of Investment Adviser
5.1	Monitoring and overseeing the Investment Adviser's compliance with the terms of its appointment in the provision of investment and asset management services to the Group.
5.2	Monitoring and overseeing that the Investment Adviser deploys and maintains a sound risk management framework.
5.3	With regards to the portfolio management function, monitoring and overseeing that the Investment Adviser performs its portfolio management function duties including: <ul style="list-style-type: none"> (a) exercising investment discretion to buy, sell, retain, exchange or otherwise deal in investments, make deposits, subscribe to issues and offers for sale of, and accept placing, underwritings and sub-underwritings of, any investment and effect transactions on any markets or off-exchange on behalf of the Company where permitted by the investment policy and investment objective of the Company; and (b) allocating appropriate and competent resources to enable the Investment Adviser to deliver the Company's investment objective in accordance with the investment policy.
5.4	Undertaking an annual assessment of the Investment Adviser's performance and including in the Annual Report a statement in relation to the continuing appointment of the Investment Adviser.
6.	Oversight of AIFM functions
6.1	Responsible for all outsourcing decisions to the AIFM and for approving the terms of the alternative investment fund management agreement appointing the AIFM.
6.2	Monitoring and overseeing the AIFM's (and, where applicable, its delegates') compliance with the terms of its appointment in the provision of the AIFM services to the Company (including the functions of risk management, portfolio management and valuation).
6.3	With regards to the risk management function, monitoring and overseeing that the AIFM deploys and maintains a sound risk management framework for the Company, including by the AIFM: <ul style="list-style-type: none"> (a) functionally and hierarchically separating the risk management functions within the AIFM from other operating units of the AIFM's business, including portfolio management; (b) demonstrating that specific safeguards are in place to allow the independent performance of risk management activities; (c) implementing a risk profile that corresponds to the size, portfolio structure and investment policy and investment objective of the Company; and (d) maintaining and implementing an appropriate, documented and regularly updated due diligence process when investing.
6.4	In ensuring the AIFM effectively discharges its functions (as described in 5.2 – 5.4) above, the Company shall undertake an annual assessment of the AIFM's performance.
7.	Communication
7.1	Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
7.2	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
7.3	Approval of all circulars, prospectuses and listing particulars.
7.4	Approval of press releases other than relating to routine NAV, voting rights and similar matters.
7.5	Establishment of marketing strategy and programmes, including target audience selection.
7.6	Approval of marketing budget.

8.	Board membership and other appointments
8.1	Regularly review the constitution of the Board, including its structure, size and composition.
8.2	Identify and consider candidates to fill Board vacancies and approve appointments to/ removals from the Board (taking into consideration the combination of skills, knowledge, experience and diversity on the Board). Appointments to the Board will be subject to a formal, rigorous and transparent procedure and will be based on merit and objective criteria and, within this context, will promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
8.3	Ensuring adequate succession planning, training, development and appraisal for the Board so as to maintain an appropriate balance of skills, experience and knowledge within the Company and on the Board. Consideration to be given to the length of service of the Board as a whole and membership regularly refreshed.
	Agreeing a policy for the tenure of the Chairman and Directors.
8.4	Appointments to the Board.
8.5	Selection of the Chairman of the Board.
8.6	Appointment of the Senior Independent Director to provide a sounding board for the Chairman and to serve as intermediary for the other Directors when necessary.
8.7	Membership and chairmanship of Board committees.
8.8	Continuation in office of Directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
8.9	Continuation in office of any director at any time, subject to the law and their service contract.
8.10	Appointment or removal of the Company Secretary.
8.11	Appointment, re-appointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit and Management Engagement Committee.
9.	Remuneration
9.1	Agreeing the Directors' Remuneration Policy.
9.2	Determining the remuneration of the directors, subject to the articles of association and shareholder approval as appropriate.
10.	Delegation of authority
10.1	The division of responsibilities between the Chairman, the Senior Independent Director and the other non-executive Directors, which should be clearly established, set out in writing and agreed by the Board.
10.2	Establishing Board committees and approving their terms of reference, including any material change thereto.
10.3	Receiving reports from Board committees on their activities.
10.4	Approval of the delegated levels of authority.
11.	Corporate governance matters
11.1	Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors, and the division of responsibilities.
11.2	Determining the independence of directors in light of their character, judgement and relationships.
11.3	Setting the corporate governance culture of the Group and approving the Corporate Governance Statement for inclusion in the Annual Report.
11.4	Receiving reports on the views of the Company's shareholders and ensuring that they are communicated to the Board as a whole.
11.5	Maintenance of good relationships with Company's stakeholders (stakeholders of the Company are considered to be the shareholders, Investment Adviser, the Company's other service providers, housing associations, care providers, tenants, the Regulator of Social Housing, local authorities and the lenders).
11.6	Authorising Directors' conflicts of interest where they are permitted by the Company's articles of association.
12.	Policies
12.1	Approval of policies, including <ul style="list-style-type: none"> (a) share dealing code; (b) bribery prevention policy; (c) whistleblowing policy; (d) environmental and sustainability policy; (e) communications policy including procedures for the release of price sensitive information and public interest disclosures; (f) corporate social responsibility policy; (g) charitable donations policy; and (h) Code of Business Conduct and Ethics.
12.2	Specific risk management policies including insurance, borrowing limits and corporate security.

13.	Other
13.1	The making of political donations by the Group.
13.2	Approval of the appointment or change of the Group's principal professional advisers (including but not limited to the Company's AIFM and/or its delegates and the Investment Adviser).
13.3	Prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism.
13.4	Approval of the overall levels of insurance for the Group including directors' and officers' liability insurance and indemnification of directors and other officers.
13.5	This schedule of matters reserved for board decisions.
13.6	A change in the Company's domicile.
13.7	Any decision likely to have a material impact on the Company or Group from any perspective including, but not limited to, financial, operational, strategic or reputational.

In discharging their responsibilities, the Directors shall at all times have regard to their responsibilities and duties as a Director under Section 172 of the Companies Act 2006:

Section 172: Duty to promote the success of the company

- (1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to —
- (a) the likely consequences of any decision in the long term,
 - (b) the interests of the company's employees,
 - (c) the need to foster the company's business relationships with suppliers, customers and others,
 - (d) the impact of the company's operations on the community and the environment,
 - (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
 - (f) the need to act fairly as between members of the company.