

Board Composition Statement September 2025

Following a comprehensive governance review in 2024/25, the organisation has agreed to adopt a common board membership model across Hendre and its subsidiaries with effect from the 2025 AGM on 21 August 2025. This change is intended to deliver improved value for money, governance effectiveness through the removal of duplicative oversight arrangements, and to streamline governance processes across the Group.

Background

In line with the Rules of Hendre and Hafod, the composition of the Hendre Board, its subsidiaries, and committees are reviewed annually. The review of the governance structure and membership is undertaken by Hendre's Remuneration, Appointments and Governance Committee (RAG), which scrutinises these matters in line with its terms of reference.

This year, the Chair's sub group was asked to undertake a comprehensive review of our governance structure and the recommendation are incorporated into this composition statement.

This statement sets out the composition as of 21 August 2025 and includes the following:

- Board composition
- Board membership
- Equality and diversity monitoring
- Skills assessment
- Recruitment needs
- Succession planning including length of service
- Pathway to board programme

Board Composition

Hendre and Hafod will operate a common board membership to take effect from 2025 Annual General Meeting. The structure and roles of each board are designed to ensure effective governance at different levels of the organisation. The Hendre Board will have strategic oversight and meet 3/4 times a year in comparison to the Hafod Board that will focus on operational oversight and met more regularly as required to fulfill this function.

Board Membership

- Under Rule D2 of Hendre: 5–15 members (including co-optees)
- Under Rule D2 of Hafod: 9–15 members (including co-optees)

The current size and mix of the common board membership supports agile decision-making while ensuring diverse viewpoints and experience.

Changes since last statement: Move to a common Board membership means that 6 Hafod Board Members will not serve after the 2025 AGM.

In June 2025 one independent Board member retired having completed 9 years service and there was one member appointed to the Hendre Board in January 2025.

Equality, Diversity, and Inclusion

Each October, a diversity monitoring report is submitted to Welsh Government. The organisation is committed to promoting equality, inclusion, and social mobility, particularly in board and committee membership. This includes continuing participation in the Pathway to Board programme to increase representation of underrepresented groups.

Skills Assessment

Over the last few months and as part of the governance review, the Chairs group have taken some time to consider and simplify the existing skills matrix and to incorporate a focus on competencies and behaviours. In developing the new matrix, the Chairs group considered the current skill requirements of board and committee members, the future needs of the organisation and the key competencies required.

Recruitment Needs 2025/2026

1 vacancy on Common Board for financial, corporate governance and property development

Succession Planning

In line with the CHC Code of Governance, no member will serve more than nine years. Annual tracking of terms and experience ensures an ongoing succession pipeline. 3 Members will retire in 2027 in line with the 9 year rule.

Table 1. Length of Service (as of August 2025):

	Members within first 3 year term	Members between 3 and 6 years term	Members in year 7	Members in year 8	Members in final year
Board members	2	5	0	3	0
Independent members	0	1	0	0	0

Pathway to Board Scheme

Hendre continues its commitment to the Pathway to Board programme, supporting increased diversity in board leadership. Financial contributions, mentoring, and coaching for candidates are provided to help them access board-level roles.