



Board Composition Statement – 2026

Following an in-depth governance review the Hendre Group moved to a common board membership model in August 2025. This ensures the board governance structure continues to be fit for purpose and delivers improved value for money while also ensuring governance effectiveness.

Background

In line with the Rules of Hendre and Hafod, the composition of the Hendre Board, its subsidiaries, and committees are reviewed annually by the board.

This statement sets out the composition as of 21 September 2026 and includes the following:

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

Board composition

Hendre and Hafod operate a common board membership. The structure and roles of each board are designed to ensure effective governance at different levels of the organisation. The Hendre Board has strategic oversight and meets 3/4 times a year in comparison to the Hafod Board that focuses on operational oversight and meets 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: In May 2026 one member was appointed to the common board membership, and one member appointed as an independent committee member. Sadly, one board member passed away in August 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

The Skills assessment requirements for both Hendre and Hafod are overseen by the Remuneration, Appointments & Governance Sub-Group. This year The group agreed that we should aim to have a minimum of one expert in each of the skills categories, supported by members at proficient and working knowledge level. This would be complimented by and appropriate plan to upskill where members have indicated more limited knowledge of key skills areas.

In addition to this the sub-group determined that each skills matrix should reflect the specific requirements of each board or committee, e.g. risk and audit should feature on the FRAC matrix.

Succession planning

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

Length of Service (as of September 2026):

- Members in 0–3 years: 1
- Members in 3–6 years: 6
- Members in Year 7: 1
- Members in Year 8: 2
- Members in final year: 1
- Independent members: 1 in 0 – 3 years, 1 in 3–6 years

Recruitment needs 2026/2027

This year will see Hendre having to recruit a new Chair & Chair of Finance Risk and Audit Committee. Plans to recruit into these roles were appropriately discussed and agreed at the Remuneration, Appointments and Governance Sub-Group for recommendation to the Board.

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 offered to help candidates access board-level roles.