

MAGNA HOUSING LIMITED (“Magna”)

ASSET INVESTMENT COMMITTEE

TERMS OF REFERENCE

1. PURPOSE

The purpose of the AIC (Asset Investment Committee) is to, on behalf of the Strategic Board (“The Board”):

- Assist the Board in its oversight of all property investment and disposal across the whole lifecycle of homes and estates including development of new homes, planned and cyclical maintenance, and decisions to remodel or regenerate against agreed standards, risk management, financial and operational parameters.
- Monitor progress against delivery of all asset investment Strategies.
- Provide input to the Board in its assessment of risk in relation to asset investment including any open market initiatives.
- to have oversight of performance against a dashboard of key performance measures and targets.

2. CONSTITUTION AND PROCESS

2.1 Authority

The AIC is a Committee of the Board, established in accordance with Rule D32.

The Committee has delegated authority from the Board to exercise the functions and powers set out in these Terms of Reference.

The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from the business.

2.2 Chair

The Board has sole power to appoint the Chair of the Committee. The Chair of the Committee, who shall be a Board member but must not be the Board Chair, is responsible for the proper conduct of its affairs in accordance with its Terms of Reference.

In the absence of the Chair of the Committee the remaining members present shall elect another Board member from within the membership to chair the meeting.

2.3 Membership

The Committee members must be approved by the Board and will retire after their initial fixed term.

Unless otherwise determined by the Board, Members shall serve on the Committee for a fixed period of up to three years, which may be extended by the Board for an additional fixed period of up to three years.

The Chair of the Board is an ex-officio Member of the Committee and does not count towards the maximum size of 5 but does count towards constituting a quorum and does have the right to vote.

Up to two members of the Committee may be independent non-executive members.

Members may be removed from the Committee at any time by the Board.

2.4 Other Attendance

The Director of Sustainability and Investment is the Executive Board Lead for the Committee and will attend all meetings.

The Company Secretary will attend all meetings.

The Chief Executive Officer, Director of Customer Operations and Chief Finance Officer will also regularly attend meetings as required.

Other members of the Executive Board may be asked to attend for items specific to their portfolios.

2.4 Meetings

The Committee shall meet at least four times each financial year, with additional meetings convened as necessary to address emerging or significant issues. A quorum for meetings of the Committee is three Members, of whom two must be Board members. Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

The Governance Team will provide secretariat support to the Committees and will attend all meetings. The Governance Team are responsible for providing the minutes and matters arising for each meeting.

2.5 Actions arising

Actions arising from each meeting will be distributed to all members of the Committee, regardless of whether they were present at the meeting.

3. PRINCIPAL RESPONSIBILITIES OF THE AIC

The fundamental responsibility of the Committee is to exercise its professional judgment to act in what it reasonably believes to be the best interests of Magna, its customers, colleagues, and stakeholders.

3.1 Strategy Development and Delivery

- Approve all asset investment strategies and recommend them to the Board for approval.
- Approve and monitor a range of measures applied to assess the success of the strategy over time.

- Monitor progress against strategy, considering ongoing changes as a result of subsequent reviews.

3.2 Financial control and risk

- Review and recommend to the Board the scheme appraisal policy assumptions and strategic targets.
- Approve individual or programmes of development and capital works for existing homes and land acquisition and disposals in accordance with Magna's scheme appraisal policy.
- Agree and have oversight of all grant bids and contracts, and the partnership or other approaches to securing grant funding.
- Review the cost, grant, subsidy, sustainability, quality and delivery of all asset investment schemes, projects, land purchases and disposals.

3.3 Programme Development and Delivery

- Ensure all new proposed developments are procured and delivered in line with approved financial, design standard and operational parameters.
- Oversee the formulation and development of construction, sales, asset investment and regeneration programmes and recommend them to the Board for approval.
- Oversee delivery of programmes and plans against approved milestones and targets.
- Scrutinise any new supply proposals, land acquisitions and disposals that fall outside the scope of asset investment strategies and/or fail to satisfy the scheme appraisal policy.
- Oversee delivery of all partnership and joint venture contracts relating to asset investment.
- Ensure that the procurement and tender evaluation of capital projects are delivered to Magna's Values.

3.4 Service Development

- Regularly review Magna's standards for new and existing homes, resident feedback and the heatmap of demand and associated data to ensure we deliver Right Homes, Right Quality, Right Place.
- Inform, review and recommend for approval by Board all policies relating to Magna's asset investment strategies, including procurement, communications, marketing and sales activity.
- Ensure that customers' views are always taken into consideration in policy and standards development.
- Keep abreast of new initiatives, research and development areas, regulation and legislation that will inform future direction of service delivery or strategy and ensure that these are reflected in service reviews.

3.5 Performance and Progress

- Agree a dashboard of performance measures that effectively cover all controls relating to asset investment. Regularly review and make recommendations on additional or changes to information required.
- Regularly review progress against the agreed milestones and targets set in the strategy.
- Oversee the strategic risk map relating to all aspects of asset supply and investment and make recommendations around changes or additions.
- Where appropriate, commission and review reports on any specific new initiatives facing Magna.

3.6 Policies and Procedures Review

The Committee shall review relevant policies in accordance with the policy schedule and in relation to its principal responsibilities. The relevant policies are listed below.

- Shared Ownership Sales, Downward Staircasing and Buy Back Policy – for Board approval
- Contamination Policy – for Board approval
- Development Scheme Appraisal Policy (Appendix 1 of Investment Policy) – for Board approval
- Land and Property Options Appraisal Policy – Approval delegated to AIC

4. REPORTING

Minutes of each Committee meeting will be reported at the next meeting of the Board. The Chair of the Committee shall report to the Board on matters within its duties and responsibilities after each meeting.

The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in an annual report to the Board, including a description of significant issues dealt with by the Committee.

The Committee shall work and liaise as necessary with other committees of the Board.

5. GOVERNANCE AND RESOURCES

The Committee shall, via the Governance Team, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.

The Committee shall conduct an annual self-assessment of its performance including an evaluation of its effectiveness in fulfilling its responsibilities under these Terms of Reference and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether it receives adequate and appropriate support in fulfilment of its role and whether its annual plan of work is manageable.

The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions (liaising where relevant with other committees). The Committee shall have access to sufficient resources to carry out its duties and have the power to engage independent counsel and other professional advisers and to invite them to attend meetings.

6. OTHER MATTERS

The Committee will have the authority to obtain advice, reports or opinions from external advisers and will have the power to hire, at the expense of Magna, legal, financial and other advisers as they may deem necessary or appropriate.

The Committee shall review these Terms of Reference annually to ensure they remain effective, current and aligned with governance best practices, regulatory requirements, and Magna's strategic objectives.