

Guernsey Community Foundation

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1. Introduction

The Guernsey Community Foundation LBG (the “Foundation”) is a non-cellular company limited by guarantee which is registered in Guernsey with number 51805. The Foundation is registered in Guernsey as a charity with number CH331.

The Board Charter is a policy document which sets out the respective roles and responsibilities of the Board of Directors (both individually and collectively) and the policies and practices of the Board in respect of its duties, functions and responsibilities.

The Board Charter is complementary to the applicable legislation and the provisions of the Memorandum and Articles of Incorporation of the Foundation. This Board Charter is not intended to replace or amend the Memorandum and Articles of Incorporation in any way. In the event of a conflict between the Memorandum and Articles of Incorporation and the Charter, the provisions of the Memorandum and Articles of Incorporation shall have preference.

The Board Charter is not intended to contain a comprehensive summary of the applicable legal principles. Board Members requiring advice in respect of any matter referred to in this Charter should contact the Company Secretary.

1.1. Purpose, Vision and Mission

The Foundation exists to promote philanthropy and charitable giving – primarily within the Bailiwick of Guernsey – and to bring about real improvements to the community and to those people most in need. Amongst other things, the Foundation gives grants, carries out research, finds skilled volunteers, organises training for charities, and acts as a consultee to government.

The Foundation’s vision is of a caring community in which a strong and committed charitable sector works effectively with government and business for the benefit of those living in the Bailiwick.

2. Stakeholder Relations

2.1. Donors

The Foundation’s programme of work is supported by donors who provide funding for the Foundation’s operating costs, Grants Programme and Endowment Fund.

Donors who contribute to the Foundation’s operating costs are eligible to join the Supporters Group. The Supporters Group meets at least once a year to receive a briefing on the Foundation’s work and discuss future strategic initiatives.

All donors receive regular updates on the Foundation’s activity and may request one-to-one meetings with the Foundation’s Chair, Chief Executive and Directors. The Foundation may also approach donors individually or collectively for advice or feedback in relation to specific projects in which they may have a particular interest.

2.2. Third Sector

Through its Grants Programme, the Foundation provides grants to registered charities in the Bailiwick of Guernsey with the aim of improving and developing the way that the charity operates or delivers its services so that it can better meet the needs of its service users or the community. In operating its Grants Programme, the Foundation works closely with other local grant-giving organisations such as the Social Investment Fund and the Lloyds Bank Foundation for the Channel Islands.

The Foundation provides training to the sector and signposting to connect charities with specific

expertise. Where more extensive changes to a charity's operations have become necessary, the Foundation can provide experienced support to plan and deliver the transformation programme.

2.3. Government

The Foundation seeks to engage effectively and openly with all levels of government to share knowledge and information about social issues and problems impacting the community and the charitable sector. Through this engagement, the Foundation seeks to exercise a positive influence on government policy – often one with a particular focus on people in need – and makes an important contribution to protecting and strengthening the environment in which the charitable sector operates.

3. Composition, Size and Structure

The Foundation shall maintain a Board comprising at least three unconnected Directors. The maximum number of Directors is twelve, being limited by the maximum permitted number of Guarantee Members. The size of the Board should be sufficient to ensure the presence of an appropriate combination of skills, knowledge, experience, independence and other characteristics which promote a diversity of perspectives and ensure that the Board and the Foundation operate effectively.

The Board shall comprise Executive Directors and Non-Executive Directors. The offices of the Chair and Chief Executive shall be separate and there should be a clearly defined division of responsibilities. The offices of the Chair, Chief Executive and Finance Director should be occupied by three unconnected Directors.

Appointments to the Board shall be through a formal and transparent process. The Board may appoint a sub-committee to shortlist applications, conduct interviews and make recommendations regarding appointments. On appointment by the Board, Non-Executive Directors shall receive a formal letter of appointment and an induction aimed at familiarising them with the Foundation and the environment in which it operates.

3.1. Independence

All Directors are aware of and fulfil their duties and by doing so exercise, both individually and collectively, objective and independent judgement.

Independence is a Board judgement. Relationships which may be relevant in determining independence of a Non-Executive Director include:

- Has been an employee of the Foundation within the last three years;
- Has served on the Board for a continuous term exceeding nine years;
- Has significant links to a party which provides funding to the Foundation (including funding for the Grants Programme);
- Has significant links to a charity which receives funding from the Foundation; and
- Has significant links to other Directors through involvement in other companies or organisations.

The Board has determined that all Non-Executive Directors act independently. In arriving at this conclusion, the Board also considers other relevant qualities, such as the Director's experience, knowledge, professional background, integrity and ethics.

3.2. Residence

All Directors are required to be ordinarily resident in Guernsey.

3.3. Tenure

Non-Executive Directors are appointed to the Board for an initial term of three years, which may be extended for two further three-year periods at the discretion of the Board. Notwithstanding any expectation, there is no right to re-appointment by the Board.

Whilst Non-Executive Directors are typically expected to serve a maximum term of nine years, there are circumstances where it may be appropriate for the Board to consider inviting a Non-Executive Director to serve for an extended term. Circumstances which may be relevant to this include:

- To provide continuity, particularly during a period of change or impending change;
- To provide time for Director to conclude work on a specific initiative or project;
- To ensure that the Board continues to benefit from a Director's specific skill-set, knowledge, experience or network whilst a suitable successor is identified and a handover of duties concluded; and
- To stagger conterminous terms of office.

To provide for the orderly transfer of responsibilities, Non-Executive Directors should (where appropriate) provide the Chair with three months' notice of their intention to stand down from the Board.

There is no mandatory retirement age for Directors.

3.4. Remuneration

No Director fee is pay to Non-Executive Directors. Reasonable and receipted travel and other expenses properly incurred by a Director will be reimbursed.

If, by arrangement with the Board, a Non-Executive Director performs or renders any special duties or services outside of their ordinary duties, they may be paid reasonable additional remuneration as the Board may determine in its absolute discretion.

3.5. Performance Evaluation

Board performance evaluations shall be undertaken once a year, with the Chair leading the process.

3.6. Training

Directors are provided with an induction upon appointment and undertake ongoing training to ensure that their knowledge remains current and up to date.

4. Roles and Responsibilities

4.1. Guarantee Members

The Foundation must have at least one Guarantee Member and may have a maximum of twelve Guarantee Members. Each Director is also appointed as a Guarantee Member and agrees to contribute up to the amount of £1.00 should they be called upon to do so. Each Director agrees to retire as a Guarantee Member should they cease to be Director of the Foundation. The Company Secretary maintains the register of Guarantee Members.

The matters reserved for decision-making by the Guarantee Members are set out in the Memorandum and Articles of Incorporation of the Company and the relevant legislation. Proceedings at meetings of the Guarantee Members are governed by the provisions of the Companies Law and the Memorandum and Articles of Incorporation of the Company. The Guarantee

Members have passed a resolution waiving the requirement on an indefinite basis for the Foundation to hold an Annual General Meeting.

4.2. Shareholders

The Articles of Incorporation permit the Board to issue shares but it has not done so.

4.3. Board

The Board determines the Foundation's strategy and budget, and monitors the performance of the Foundation and management against the goals and objectives it has set. The Board determines the financial structure of the Company, maintaining a prudent capital base to support the Foundation's operations and invest in delivery of the strategy. The Board receives timely and comprehensive reporting to enable the Directors to assess the financial and operational performance of the Foundation and its key risks throughout the year.

4.3.1. Chair

The Board shall appoint one of the Non-Executive Directors as Chair. In any case where the Chair is unavailable or unable to act due to a conflict of interest, the Board shall appoint one of the Non-Executive Directors as a substitute Chair for a particular purpose or for a fixed period of time or on an on-going basis.

The Chair's principal responsibility is to provide effective and ethical leadership of the Board, creating the conditions for overall Board and individual Director effectiveness. The Chair should encourage active engagement from all Directors and ensure that the Board receives accurate, timely and clear information to enable the Board to take sound decisions and monitor the Foundation's work effectively.

The Chair shall represent the Foundation externally, connecting it to contacts and networks. The Chair is responsible for ensuring that, in conjunction with the Chief Executive, the Foundation engages effectively with its stakeholders (including government and donors) and that their views are communicated to the Board as a whole.

4.3.2. Chief Executive

The Chief Executive reports to the Chair (acting on behalf of the Board) and to the Board directly.

The Chief Executive is responsible for leading and managing the day-to-day running of the Foundation in line with the strategy approved by the Board.

The Chief Executive leads the development the Foundation's strategy and determines the allocation of its resources, subject to the limits of authority delegated by the Board. The Chief Executive is responsible for ensuring that there are appropriate controls in place to identify, monitor and control risk in line with the Board's appetite.

The Chief Executive maintains a Register of Directors' Interests and a Register of Donors.

The Chief Executive reports to the Board at each meeting and between Board meetings, as and when required.

4.3.3. Finance Director

The Board shall appoint one of the independent Non-Executive Directors as a Finance Director to oversee the financial management of the Foundation. The Finance Director is responsible for the budgeting and forecasting processes and provides appropriate reporting and analysis to the Board to support decision making. The Finance Director is responsible for producing the Foundation's Annual Report and supports the Foundation's external assurance review. The Finance Director is responsible for ensuring that all accounting activities and record keeping complies with appropriate regulations.

4.3.4. Company Secretary

The Board may appoint a Company Secretary to carry out administrative functions. The Company Secretary may, but need not be, a Director of the Foundation. Where the individual to be appointed as Company Secretary is not a Director, the appointment requires the approval of the Guarantee Members. The Company Secretary supports the Chair and the Chief Executive in ensuring the effective governance of the Foundation and the efficient running of Board meetings. The Company Secretary is responsible for ensuring that the Foundation meets its statutory responsibilities as a Guernsey registered charity and company limited by guarantee.

4.4. Committees

The Board is authorised to form committees to assist in the execution of its duties but remains collectively responsible for the decisions and actions taken by any committee.

The Board has established three committees to oversee specific areas and activities: Grants Panel, Remuneration Committee and Endowment Committee. Each of the committees has terms of reference detailing their roles and responsibilities and these are reviewed by the Board at least annually. The Board is represented on each of these committees by at least three Non-Executive Directors and the committees provide regular reporting to the Board on their activities.

4.4.1. Grants Panel

The committee meets at least four times per year and oversees the Foundation's Grants Programme. The Grants Panel makes recommendations to the Board relating to the payment of grants and the allocation of grant funds.

4.4.2. Remuneration Committee

The committee meets at least once per year and makes recommendations to the Board on the compensation package for each of the Foundation's employees. The committee also makes recommendations to the Board in respect of employee benefits.

4.4.3. Endowment Committee

The committee meets at least once per year and oversees the management of the Endowment Fund within the investment objectives and strategy set by the Board. The committee oversees the performance of the Investment Manager and makes recommendations to Board with regard to their appointment.

5. Meeting Procedure

5.1. Frequency

The Board has six meetings scheduled each year and supplements these with additional ad hoc calls and meetings as and when required. Outside of the meeting cycle, the Chair and Chief Executive engage with the Directors both collectively and individually to discuss matters of business.

5.2. Attendance

Only Directors have the right to attend Board meetings. Other individuals may be invited by the Chair or Chief Executive to attend for all or part of any meeting, as and when appropriate.

Directors should endeavour to attend Board meetings but where they are unable to do so, they should advise the Chair or Chief Executive at the earliest opportunity.

Directors are expected to prepare thoroughly and actively participate in open and constructive discussions at Board meetings. Directors are expected to effectively contribute their specific knowledge, experience, skills to inform discussions and shape the Foundation's strategy.

5.3. Quorum

The quorum for any meeting of the Board shall be two Directors.

Directors may participate in a meeting of the Board from separate locations by means of conference telephone or other communication equipment which allows those participating to hear each other, and shall be entitled to vote and be counted in the quorum accordingly.

5.4. Notice, Agenda, Meeting Papers and Minutes

Meetings of the Board shall be convened by the Company Secretary at the request of the Chair or any of the Directors.

Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Director no later than three working days before the date of the Board meeting. The Board papers, which include detailed information on business activities and financial performance to facilitate discussion and effective decision making at the meeting, shall be sent to Directors and to other attendees at the same time.

The Company Secretary shall prepare comprehensive minutes of Board meetings, including a record of any actions arising. Draft minutes shall be circulated promptly to the Directors following each meeting and submitted for approval at the next Board meeting.

An agenda plan is produced prior to the start of each year.

5.5. Disclosure of Interests

Directors are required to disclose any interests upon appointment and are reminded at the start of each Board meeting of their legal obligation to declare any potential or actual conflicts. The register of Directors' interests is maintained by the Chief Executive and individual Directors are responsible for ensuring that their information is updated as and when necessary.

Irrespective of any prior declaration of interests, a Director who has an actual or prospective interest in any business being dealt with at a Board meeting should inform the Chair of the interest at the earliest possible opportunity. The Chair will take appropriate action and may, at their discretion, require that the Director recuse themselves from any discussion or vote at which they are or may be

perceived as being conflicted.

The appointment of the Chief Executive to another board shall be subject to the prior approval of the Chair. The Chair may determine that the agreement of the Board should be sought.

6. Accounts and Audit

The Guarantee Members have passed a resolution waiving the requirement on an indefinite basis for the Foundation to have its accounts audited. Notwithstanding, the Board considers that it is appropriate given the nature and activities of the Foundation for the Financial Statements to be subject to examination by an independent party. A professional firm is engaged by the Board to undertake an assurance review of the Financial Statements and the findings report is considered by the Board. The Financial Statements are published on the Foundation's website.

7. Insurance

The Foundation maintains Professional Indemnity insurance and Directors' and Officers' liability insurance policies.

8. Access to Advice

During the performance of a Director's duties to the Foundation, it may be appropriate and necessary for a Director to take independent advice and in such circumstances the Foundation shall reimburse all professional fees properly incurred. The approval of the Chair should be obtained prior to making any commitment to incur professional fees.

9. Confidentiality

Directors are expected (during their tenure on the Board and afterwards) to adhere to the principle of confidentiality save where disclosure is permitted or required by law or compelled by court order or a valid request by a competent authority.

10. Approval and Review

This Board Charter was approved by the Board on 19 September 2023 and is effective from that date. Any of the provisions of this document may be amended from time to time by the Board.

Appendix

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Role Descriptions

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Example Agenda Plan

Available from the Company Secretary upon request.