

**SUTTON SHAREHOLDINGS BOARD**Composition

- 7.18 This is a sub-committee of the Strategy and Resources Committee and comprises five elected members appointed on a politically proportional basis.

Purpose

- 7.19 To exercise responsibility for the Council's functions as corporate shareholder of a company, or group of companies.
- 7.20 Meetings of the Shareholdings Board will take place on a biannual basis and focus on company performance against objectives as well as adoption of the business plan and any mid-year amendments.

Relationships

- 7.21 The Shareholder Board as it considers appropriate in accordance with its functions, may:
1. report and make formal recommendations to the Strategy and Resources Committee of the Council;
  2. make reports to and consult other committees of the Council; or
  3. make reports to and consult the Council's Audit and Governance Committee, in relation to that Committee's particular functions.

Function

- 7.22 Monitor the performance of a company in relation to its Business Plans and, in particular, the company's performance:
- (a) in financial matters
  - (b) against the social goals of the company as set out in the company's Objects, Business Case or Business Plans; and
  - (c) against the values of the Council.
- 7.23 Evaluate and monitor via periodic reports (including annual reports):
- (a) performance and progress against business plans;
  - (b) financial and social returns on investment (be that shareholding, loans or direct investment); and
  - (c) risks and opportunities including those arising from joint ventures or new opportunities.

- 7.24 Consider matters reserved to the Council for shareholder approval, such as those listed below but more particularly set out in a company's Articles of Association or Shareholder Agreement:
- (a) Varying Articles of Association
  - (b) Varying ownership and structure
  - (c) Variations to shares (number of, rights, etc.
  - (d) Entering contracts that:
    - (i) have a material effect on council business (including other companies within the group)
    - (ii) are outside of the business plan or do not relate to the business
    - (iii) significant in relation to the size of the business, the business plan, etc.
  - (e) Material legal proceedings outside of ordinary business
  - (f) Adopting and amending business plans each year and strategic plans (3 years)
  - (g) Appointment, removal and the remuneration of directors (members of the company board)
  - (h) Selection of the chair of the board
  - (i) Appointment of auditors
  - (j) Issue of dividends
- 7.25 Consider proposals that might be outside of the agreed operational parameters and business plans.
- 7.26 Exercise oversight on decision making and assurance that the statutory functions of the companies are being properly discharged.

#### **Decision making by the shareholder representative**

- 7.27 Where a reserved matter is considered by the Chief Executive to necessitate a shareholder decision before the next scheduled meeting of the Sutton Shareholdings Board, the Chief Executive, or their appointed nominee, is authorised to perform all functions within the duties and powers of the Shareholdings Board in accordance with provisions set out below and as shareholder representative.
- 7.28 The Chief Executive is authorised, subject to the concurrence of the Chair of the Sutton Shareholdings Board or, in his/her absence, the Vice-Chair, and the consultation of a member of each political group proportionately represented on the sub-committee, to perform all functions within the powers and duties of that Shareholdings Board in any case in which the prompt performance of any of the Council's shareholding functions is desirable and necessary, subject to the action taken being reported through delegated decision notices.

- 7.29 The Chief Executive, or his/her nominee, is further authorised to exercise the Council's vote as shareholder at general meetings of a company.
- 7.30 The following matters to be determined by the Council as shareholder are reserved for decision by the Sutton Shareholdings Board only:
- Annual business plan (adopt or amend);
  - Annual report and accounts;
  - Change of auditor;
  - Dismissal of director;
  - Engaging in any business other than as contemplated by the business plan;
  - Formation of a subsidiary;
  - Listing or trading of shares;
  - Variation of the rights attached to shares;
  - Winding up or administration.

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