

## **DELEGATION OF DECISION-MAKING POWERS FOR COMPANIES**

The Council has shares in or is a member of a number of companies (including but not limited to Companies Limited by Shares and Companies Limited by Guarantee). The Council will exercise its powers and responsibilities as shareholder or member in accordance with the provisions set out below.

### **Shareholder Committee**

The Shareholder Committee is a committee of the Executive established to provide oversight of the Council's company interests in accordance with any principles agreed by Council and provisions contained within any shareholder and company member agreement.

The Shareholder Committee will:

- review and approve business plans and project plans as prepared by the companies' boards of directors, ensure the business plans are reviewed on a regular basis and contain key performance targets and milestones for the year, all in accordance with any objectives or investment criteria as agreed by Council;
- monitor the performance of Council companies against the targets and milestones set;
- approve or make amendments to the strategic or business plans of the companies.

As it is a Committee of the Executive the same rules of procedure apply to its meetings as apply to the Executive.

### **Shareholder Representative**

As the Council is an organisation rather than an individual, it has appointed the Chief Executive Officer as the Shareholder Representative. The Shareholder Representative is authorised on behalf of the Shareholder Committee and Executive to sign documents on behalf of the Shareholder or Member in the case of companies limited by guarantee so long as the decision process is in accordance with this scheme of delegation.

This includes the power of the Shareholder Representative to approve and sign shareholder resolutions.

Companies are required to have Articles of Association and may also have other governance documents. These documents may set out a list of Reserved Matters which are items that may only be decided on or approved by the Council as shareholder or member of the company. The approval of the Council for these Reserved Matters will be sought in accordance with the Council's scheme of delegation including the following specific delegations:

### **Decisions reserved to the Executive**

1. Setting up a new company in which the Council is to be a member or shareholder.
2. Approving steps to wind up a company of which the Council is a member or shareholder.

3. The company making loans in excess of (£500k) other than by way of normal trade credit.

#### **Decisions which would fall within the remit of the Shareholder Committee**

4. Changes to company governance e.g. changes to Articles, Shareholder Agreements.
5. Approving or making amendments to the strategic or business plans of the companies.
6. Monitoring the strategic and business plans annually or as required by the Shareholder Representative.
7. Acquiring shares in another company, entering into a formal Joint Venture arrangement or merging with any other company or business undertaking.
8. Establishing subsidiary companies or changes to the company structures.
9. Approving disposals of assets valued over (£500k) [subject to the Company's articles of association/governance documents].
10. Approving borrowing in excess of (£500k) [subject to the Company's articles of association/governance documents].
11. Entering, amending or terminating any agreements which create a potential liability for the company in excess of £500k [subject to the Company's articles of association/governance documents].
12. Making changes to the nature of the company's business.
13. Matters relating to the approval of dividends requiring Shareholder consent.
14. Reviewing the decisions of the Chief Executive Officer of NYC and Group (Shareholder Representative) and holding the decisions and that individual to account. Formal decisions made by the Shareholder Representative will be reported back to the Shareholder Committee.

#### **Decisions which fall within the remit of the Chief Executive Officer of NYC as Group (Shareholder Representative)**

The Shareholder Representative may refer any matters delegated to them to the Shareholder Committee or Executive if they deem this appropriate in the circumstances.

15. General monitoring of the strategic and business plans and approving emergency amendments.
16. Approving the appointment or dismissal of company Directors including the Chair.
17. Matters relating to the terms and conditions of company Directors, including changes to terms and conditions and/or benefits.
18. Matters relating to the entering into of any contracts with company Directors.
19. Matters relating to the employment of the senior management team of the company.

20. Changes to share capital and admission of shareholders or agreeing any rights or restrictions attaching to any shares or memberships allocated to new shareholders or options in relation to share capital.
21. Approving changes to the geographical area in which the company works.
22. Altering the company's name or registered office.
23. Where required giving any further specific approval to a matter provided for within the approved business plan.
24. To take appropriate action and decisions as the Shareholder/Member as directed by the Shareholder Committee.
25. To take all other decisions as the Shareholder/Member as provided for by legislation or the company's governance documents.
26. To report back to the Shareholder Committee from time to time on formal decisions made.
27. The approval of an appointment of any agent (not being a subcontractor) to conduct the whole or any part of the business of the company.
28. Entering, amending or terminating any agreements which create a potential liability for the company below £500k [subject to the Company's articles of association/governance documents].
29. Entering into any borrowing, credit facility or investment arrangement (other than in the normal course of trading) below £500k from any third party that is not the Council.
30. Creating or agreeing to create a charge, security or encumbrance below £500k over the company's assets, shares or income.
31. Approving any matter that is reasonably likely to have an adverse effect on the reputation of the Council.
32. Settling any legal matters and insurance claims in excess of £50,000.
33. Any other matter which is not listed above and is a reserved matter (shareholder decision) of a company partly or wholly owned by NYC.