

Appendix 1 – Draft Shareholder Committee Terms of Reference

The Shareholder Committee for Care Dorset Holdings Limited

1. Role/Terms of Reference and Membership

- a. The Shareholder Committee for Care Dorset Holdings Limited shall be primarily responsible for the following delegated functions except where specific functions have been delegated to an Officer:
 - monitoring the performance of Care Dorset Holdings Limited (including in relation to Business Plans and associated budgets);
 - monitor the business affairs, finances, and accounts of Care Dorset Holdings Limited;
 - overseeing the strategic direction of Care Dorset Holdings Limited or proposed and adopted business plans and budgets for future years to be presented in draft as they are developed or the review of future service developments and opportunities;
 - considering the risks and opportunities faced by Care Dorset Holdings Limited and impact on the Council (including, for example, in relation to commercial factors, governance issues, and health and safety records);
 - monitoring Care Dorset Holdings Limited compliance with relevant legislation;
 - assuring that Care Dorset Holdings Limited status as a 'Teckal' company is maintained;
 - taking decisions that relate to any matter identified as being reserved to be taken by the Shareholder ("Reserved Matters") listed within Appendix 1, within the Articles of Associations and/or the Shareholder Agreement for Care Dorset Holdings Limited. Provided that where a decision affects the Council budgetary framework the Shareholder Committee will consider the decision and provide a recommendation to Full Council.
 - exercising the Shareholders reserve power by Special Resolution (in accordance with the Articles of Association).
 - reporting and making recommendations to the Cabinet on areas outside of the Shareholder Committee's delegated authority.
 - reporting to Full Council annually on the performance of the trading activities of Care Dorset Holdings Limited.
 - reviewing these Terms of Reference annually and make any necessary recommendations to Cabinet.
- b. The Shareholder Committee will not have operational control over Care Dorset Holdings Limited. All decisions regarding the day to day operation and management of Care Dorset Holdings Limited rests with the Care Dorset Holdings Limited board of directors, which must ensure that Care Dorset Holdings Limited business is conducted in accordance with the terms of the Shareholders' Agreement entered into between the Council and Care Dorset Holdings Limited (Shareholders' Agreement) and in accordance with Care Dorset Holdings Limited Articles of Association.
- c. The Shareholder Committee shall comprise of 5 Members drawn from the Cabinet to be appointed by the Leader of the Council/Cabinet.
- d. The quorum of the Shareholder Committee shall be 3 Members.
- e. There shall be no power to appoint substitutes to the Shareholder Committee.
- f. The Chief Executive, Section 151 Officer, Monitoring officer and Executive Director People – Adult (or their nominees) will be advisors to the Shareholder Committee. Additional advisors and Care Dorset Holdings Limited officers and directors may be invited to attend the Shareholder Committee as required.

2. Appointment of Chairman and Vice-Chairman

The Leader of the Council/Cabinet will appoint the Chairman and Vice-Chairman of the Shareholder Committee.

3. Meetings

- a. The number of ordinary meetings of the Shareholder Committee each year will normally be quarterly unless otherwise determined by the Leader of the Council.
- b. The Chairman of the Shareholder Committee shall have the power to call one or more special meeting(s) of the Shareholder Committee.
- c. The Chairman of the Shareholder Committee may determine that a meeting should be cancelled for insufficient business.

4. Delegated powers and powers of recommendation of the Shareholder Committee

- a. The Shareholder Committee shall have the powers as set out in Functions of the Council - Part 3(1) of the Constitution.
- b. For the avoidance of doubt the Shareholder Committee can delegate any of their powers to any Officer.

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Appendix 1

Reserved Matters (Shareholder Agreement Schedule 2)

1. The following matters must be determined by the Shareholder:
 - 1.1 Issue or allot any share capital;
 - 1.2 alter or amend the articles of association
 - 1.3 Issue or amend any share or shareholder rights
 - 1.4 appoint the Director to act as Chair in accordance with the Articles;
 - 1.5 make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or giving any guarantee or indemnity;
 - 1.6 make any borrowing (other than normal trade credit);
 - 1.7 change its financial year end;
 - 1.8 create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any asset or its business in whole or in part;
 - 1.9 establish or amend any profit-sharing, share option, bonus, or other incentive scheme of any nature for directors, officers, or employees;
 - 1.10 adopt or amend save in accordance with clause 8, or engage in activity outside of its annual Business Plan or enter into any contract or commitment not provided for in the Business Plan under which it may incur costs in excess of £100,000;
 - 1.11 form any Subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not);
 - 1.12 amalgamate or merge with any other company or business undertaking;
 - 1.13 alter its name or registered office;
 - 1.14 approve the Remuneration Policy and any subsequent variations to the Remuneration Policy;
 - 1.15 agree to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any director, employee or consultant to the Company save in accordance with the Remuneration Policy;
 - 1.16 amending in any material respect the terms and condition on which any employee of the Company is employed;
 - 1.17 except where the restructure is approved in the business plan, dismiss any director, officer, or employee in circumstances in which it incurs or agrees to bear redundancy or other costs in excess of **£10,000;**
 - 1.18 make any agreement with any revenue or tax authorities or make any claim, disclaimer, election, or consent exceeding £25,000 for tax purposes in relation to the Company or its business;
 - 1.19 change the nature of the Business or commence any new business by any Group Member which is not ancillary or incidental to the Business;
 - 1.20 make or permit to be made any change in the accounting policies and principles adopted in the preparation of its audited or management accounts except as may be required to ensure compliance with relevant accounting standards under the Companies Act 2006 or any other generally accepted accounting principles in the United Kingdom;
 - 1.21 ***[Something around approval of key members or staff and removal of key members of staff once level of intervention determined]***
 - 1.22 institute, settle or compromise any material legal proceedings instituted or threatened against it or submitting any dispute to arbitration or alternative dispute resolution, save in relation to any legal proceedings, arbitration or alternative dispute resolution between the Company and the Council;
 - 1.23 make any acquisition, disposal, or structural modifications of any material asset(s), leases, or land interests;
 - 1.24 enter into an agreement to do any of the above.