

Appendix 4 – Dorset Innovation Park Shareholder Committee draft terms of reference

The Shareholder Committee for Dorset Innovation Park Limited

1. Role/Terms of Reference and Membership

- a. The Shareholder Committee for Dorset Innovation Park Limited shall be primarily responsible for the following delegated functions except where specific functions have been delegated to an Officer:
 - monitoring the performance of Dorset Innovation Park Limited (including in relation to Business Plans and associated budgets);
 - monitor the business affairs, finances, and accounts of Dorset Innovation Park Limited;
 - overseeing the strategic direction of Dorset Innovation Park 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 Dorset Innovation Park Limited and impact on the Council (including, for example, in relation to commercial factors, governance issues, and health and safety records);
 - monitoring Dorset Innovation Park Limited compliance with relevant legislation;
 - assuring that Dorset Innovation Park 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 Dorset Innovation Park 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 Dorset Innovation Park Limited
 - reviewing these Terms of Reference annually and make any necessary recommendations to Cabinet.
- b. The Shareholder Committee will not have operational control over Dorset Innovation Park Limited. All decisions regarding the day to day operation and management of Dorset Innovation Park Limited rests with the Dorset Innovation Park Limited board of directors, which must ensure that Dorset Innovation Park Limited business is conducted in accordance with the terms of the Shareholders' Agreement entered into between the Council and Dorset Innovation Park Limited (Shareholders' Agreement) and in accordance with Dorset Innovation Park 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 Dorset Innovation Park 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.

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 Appointment and dismissal of any Director including Managing Director and Chair in accordance with the Articles;
 - 1.5 make any commercial loan or grant any credit or giving any guarantee or indemnity other than in the normal course of trading;
 - 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 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;
 - 1.10 form any Subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not);
 - 1.11 amalgamate or merge with any other company or business undertaking;
 - 1.12 alter its name;
 - 1.13 relocate its principal place of business or head office outside of the Dorset Council area;
 - 1.14 approval of the Remuneration Policy and any subsequent variations (save any minor or technical changes that would be reported to the next shareholder committee meeting) to the Remuneration Policy. Remuneration Policy to include:
 - 1.14.1 any profit-sharing, share option, bonus or other incentive scheme of any nature for directors, officers or employees;
 - 1.14.2 am ending in any material respect the terms and condition on which any employee of the Company is employed;
 - 1.14.3 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 £40,000 (forty thousand pounds);
 - 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 Subject to 1.21.1 and 1.21.2, institute, settle or compromise any material legal proceedings instituted or threatened against it or submitting any dispute to

arbitration or alternative dispute resolution exceeding £20,000 (twenty thousand pounds).

1.21.1.1 This provision shall not apply to any legal proceedings, arbitration or alternative dispute resolution between the Company and the Council;

1.21.1.2 This provision shall not prevent or restrict the Company pursuing the collection of debts due to the Company;

1.22 make any acquisition, disposal, or structural modifications of any property asset(s), leases, or land interests except where these are set out in the Business Plan or creating a liability of less than £100,000 (one hundred thousand pounds);

1.23 enter into an agreement to do any of the above.

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