

**London LGPS CIV Limited (the “Company”)  
Shareholder Committee: Terms of Reference**

**1. Objective of the Shareholder Committee**

1.1 The role of the Shareholder Committee (the “**Committee**”), which is a Committee of the London CIV and acts collectively, is to be consulted on the following by the Board:

1.1.1 the strategy, business plan, financial and corporate performance of the Company as mandated by the Board of Directors of the Company (the “**Board**”); and

1.1.2 Company policies such as Responsible Investment and Reporting and Transparency; and

1.1.3 matters reserved for approval of the Shareholders, as and when appropriate in accordance with the terms of the Shareholders Agreement; and

1.1.4 to identify, assess and discuss emerging issues and opportunities facing Shareholders which may impact the Company, and discuss solutions proposed by the Company; and

to express views on the above to the Board and Shareholders collectively as appropriate.

1.2 The Board will have the opportunity to consider any views presented to it by the Committee but will not be obliged to take any action in respect of such views unless the Board believes this to be in the best interests of the Shareholders and the Company.

**2. Membership**

2.1 The Committee will be comprised of 12 members from London Local Authorities made up of eight Leaders (or Pension Chairs or equivalent) and four Treasurers, plus the Chair of the Board (the “**Members**”). The members of the Committee will be agreed by the Shareholders acting collectively and nominated for appointment by the collective political processes of the London Councils or in the case of the Treasurers by the Society of London Treasurers

2.2 Any Member, other than the Chair of the Board, must also be a Shareholder of the Company in good standing.

2.3 No more than one Leader (or equivalent) and one Treasurer can be from a London Local Authority without direct investments in the London LGPS CIV Authorised Contractual Scheme or other pooling structure established by the Company from time to time.

2.4 London Local Authorities which have Directors on the Board may not be Members.

2.5 The initial Members will be ratified at the Annual General Meeting of the London CIV held in July 2018

**3. The Chair**

3.1 The Committee Chair (the “**Chair**”) will be appointed by the Members at the first Committee meeting.

3.2 The Chair can nominate a deputy, who must also be a Member (the “**Nominated Deputy**”). In the absence of the Chair or the Nominated Deputy the remaining Members present will elect one of themselves to chair the meeting.

3.3 The Chair can step-down as Chair at any time. The Members will appoint a new chair at the next Committee meeting. In the absence of any appointment, the Nominated Deputy will act as Chair.

#### 4. **The Secretary**

4.1 An appropriate individual will be the Secretary and will be made available to the Committee by the Company.

4.2 In the event that the Secretary is not able to attend a Committee meeting the Members in attendance at that Committee meeting will appoint one of their own to act as Secretary for that meeting.

#### 5. **Length of appointment**

5.1 Members will be put forward for re-appointment at each Annual General Meeting of the Company.

5.2 No Member can be a Member for a continuous period of nine years unless approved at the Annual General Meeting of the Company.

5.3 The term of the Chair will be four years. The Chair may be re-appointed for a second four year term.

5.4 In the event that a Member ceases to be a Leader (or equivalent), Treasurer or Chair of the Board, as applicable, their membership of the Committee will cease at that same time and a new Member will be appointed at the next Committee meeting.

5.5 A Member may, at any time, provide written notice to all other Members of his/her, as applicable, intention to resign from the Committee. The date of resignation will be determined by the Chair. In the event of such resignation a new Member will be appointed at the next Committee meeting.

5.6 In the event that a unanimous decision is taken by the Members to terminate the appointment of one or more Members, such termination will be effective immediately and a new Member or Members, as applicable, will be appointed at the next meeting of the Committee.

#### 6. **Attendance at meetings**

6.1 Only Members are entitled to attend Committee meetings.

6.2 The Committee may, however, at the Chair's discretion, invite individuals including Board members (including the Chief Executive), representatives from the Company, or from appropriate third parties to attend any meeting or meetings ("**Non-members**"). Any such attendance is granted on a meeting by meeting basis and no automatic right to attend any subsequent meetings will be deemed given to any Non-member as a result of attendance at any one meeting. Any Non-members must agree to keep any discussions held at the meeting or meetings which they attend confidential.

6.3 The Committee may, however at the Chairs discretion invite a trade union representative to attend any meeting or meetings (**Trade Union Observer**). Any such attendance is granted on a meeting by meeting basis and no automatic right to attend any subsequent meetings will be deemed given to any Trade Union Observer as a result of attendance at any one meeting. Any Trade Union Observer must agree to keep any discussions held at the meeting or meetings which they attend confidential.

#### 7. **Quorum for Committee meetings**

The quorum for Committee meetings is seven Members.

**8. Frequency of meetings**

- 8.1 The Committee will meet quarterly at dates agreed by the Members.
- 8.2 Meetings will usually be held at the offices of the Company.
- 8.3 Ad hoc meetings will be convened by the Secretary at the request of any Member. However, the timing of any such meeting will be at the discretion of the Chair.

**9. Documents**

- 10. The agenda for each meeting will be set by the Chief Executive of the Company and provided, together with any associated papers, by the Secretary to the Members, and to any invited Trade Union Observer and invited Non-Members by email, at least three business days prior to the relevant meeting.

**11. Minutes of meetings**

- 11.1 The Secretary will take a written record of the discussions held at each meeting, and record the names of those present and in attendance. The record will include an up-to-date log of the views and recommendations of the Committee and any actions to be taken (the “**Minutes**”).
- 11.2 The Secretary will ascertain, at the beginning of each meeting, the existence of any conflicts of interest and record them accordingly in the Minutes.
- 11.3 Minutes of Committee meetings will be circulated by the Secretary, by email, promptly following the relevant meeting to all Members and will be available for review by the Board. If any Member would like any amendment made to the Minutes these must be raised by the Member within one week of receipt and notified to the Secretary.
- 11.4 The Members agree that unless, the Chair agrees that the Minutes (or a section of the Minutes) should be made available more widely than the Committee the discussions and Minutes at, or resulting from, all Meetings will be kept confidential by the Members. [The Minutes will also be sent to any invited Trade Union Observer and invited Non-Member who shall be under the same duty of confidentiality as if they were a Member.]

**12. Reporting procedures and Review of the Committee**

- 12.1 The Secretary will use the Minutes from the relevant meeting to prepare a note setting out an overview of the discussions held at that meeting. This note will be reviewed and commented on, as applicable, by the Chair and then sent by the Secretary, by email, to the usual contact for each Shareholder within one month of the relevant meeting. The Chair of the London CIV Board will ensure that this note is used as the basis of a report to the London CIV Board. The Minutes will not be sent to the Shareholders unless this is expressly agreed by the Chair.
- 12.2 The Committee will be subject to the continuous review of the Shareholders. In the event that proposals are put forward, or concerns are raised, by one or more of the Shareholders in relation to the Committee, or any one or more of its Members, the Chair will consider these and take any further action as appropriate.

**13. Review of these Terms of Reference**

These Terms of Reference will be reviewed every two years by the Members and any changes proposed to the Board. Following a reasonable period for review, the Board will provide any comments, and once these have been agreed between the Board and the Committee, a revised Terms of Reference will be made available.

14. **Dissolution of the Committee**

The Board may, at any time, propose to the Members, in writing, that the Committee is dissolved. In such cases the Board and Committee will work together to form a new committee or structure to undertake the objective which has been set for the Committee, or similar objective deemed appropriate in the circumstances.

## **London LGPS CIV Limited (the “Company”) General Meeting Framework**

### **Objective**

1. This document sets out the framework of General Meetings and matters reserved for the shareholders. It summarises but does not override the Articles of Association and the Shareholders Agreement, extracts from which are attached for ease of reference.

### **General Meetings**

2. The annual general meeting (AGM) is a mandatory yearly gathering of the Company’s interested Shareholders. The Shareholders may meet more frequently at their discretion.

**Key matters for the AGM** are as follows:

- Adoption of the annual report and financial statements (a reserve authority to approve is provided for in the Shareholder Agreement in addition to the directors’ responsibility for approving the report and financial statements under Company law)
- Adoption of the regulatory capital statement (a reserve authority to approve is provided for in the Shareholder Agreement in addition to the directors’ responsibility)
- Ratification of appointments to the Shareholder Committee, nominated through the London Councils’ collective political processes and the Society of London Treasurers in the case of Treasurers, together with the Chair of the Board of London CIV.
- Ratification of appointments to the company’s board which are formally made by the Board of the Company and subject to FCA approval. Two NEDs are nominated via the London Councils’ collective political processes to ensure that the composition of the Board is representative of the London Local Authorities. A Treasurer Observer is nominated via the Society of London Treasurers.

The AGM also provides an opportunity for a presentation on the corporate and financial performance of the company and plans for the future.

The governance framework agreed in 2018 provides for a **General Meeting** in January/February of each year to agree the budget, which is set in the context of a Medium Term Financial Strategy and Business Plan with detailed information requirements as set out in the Shareholders Agreement section 6.2 and 6.3.

This general meeting therefore also provides an opportunity for a review of corporate and financial performance, with an emphasis on plans for the future.

If the Shareholders have appointed a Shareholders’ Chairman, the Shareholders’ Chairman shall chair General Meetings. It is expected that the Chairman will be selected after consultation with members.

Shareholders who do not attend the meeting in person may vote by proxy, which can be done online or by mail.

# **EXTRACT FROM THE ARTICLES OF ASSOCIATION**

## **ORGANISATION OF GENERAL MEETINGS**

### **1. NOTICE OF GENERAL MEETINGS**

Every notice convening a general meeting shall:

- 1.1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and
- 1.2 be given in accordance with section 308 of the 2006 Act but shall not be given by means of a website.

### **2. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 2.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 2.2 A person is able to exercise the right to vote at a general meeting when:
  - 2.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 2.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 2.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 2.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 2.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### 3. **CHAIRING GENERAL MEETINGS**

- 3.1 If the Shareholders have appointed a Shareholders' Chairman, the Shareholders' Chairman shall chair general meetings if present and willing to do so.
- 3.2 If the Shareholders have not appointed a Shareholders' Chairman, or if the Shareholders' Chairman is unwilling to chair the meeting or is not present within 30 minutes of the time at which a meeting was due to start, the meeting must appoint a director or shareholder to chair the meeting by simple majority, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 3.3 The person chairing a meeting in accordance with **Article 0** (Articles of Association) is referred to as "the chairman of the meeting".

### 4. **ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS**

- 4.1 Directors may attend and speak at general meetings, whether or not they are shareholders.
- 4.2 The chairman of the meeting may permit other persons who are not:
- 4.2.1 shareholders of the Company, or
  - 4.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

### 5. **MINUTES OF MEETINGS**

5.1 The Committee Secretary shall minute any significant items of discussion, action points and decisions of all meetings of the Committee, including recording the names of those present and in attendance. Conclusive evidence of the business transacted at each meeting will be recorded in the minutes which will include an up-to-date actions and issues log.

5.2 The Committee Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

5.3 Minutes and action points of Committee meetings shall be circulated promptly to all members of the Committee and will be available for review by the Board.

### 6. **QUORUM AT GENERAL MEETINGS**

- 6.1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is

taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present.

6.2 A quorum shall consist of one third in number of the shareholders of the Company for the time being present by proxy or by representative.

6.3 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general meeting shall stand adjourned until such other day and at such other place as the chairman of the meeting may determine (or, if the chairman does not so determine any outstanding business to be discussed at the meeting shall be adjourned to the next general meeting) and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same such adjourned general meeting, the general meeting shall be dissolved.

## **VOTES OF SHAREHOLDERS**

### **7. VOTING: GENERAL**

7.1 A resolution put to the vote of a general meeting must be decided on a show of hands. No resolution shall be decided on a poll.

### **8. ERRORS AND DISPUTES**

8.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

8.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **9. CONTENT OF PROXY NOTICES**

9.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

9.1.1 states the name and address of the shareholder appointing the proxy;

9.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

9.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and

9.1.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.



- 9.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 9.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 9.4 Unless a proxy notice indicates otherwise, it must be treated as:
- 9.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - 9.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## 10. **DELIVERY OF PROXY NOTICES**

- 10.1 A person who is entitled to attend, speak or vote at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 10.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 10.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 10.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## 11. **AMENDMENTS TO RESOLUTIONS**

- 11.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 11.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - 11.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

11.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

11.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

11.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

11.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## 12. **WRITTEN RESOLUTIONS**

12.1 A written resolution, proposed in accordance with section 288(3) of the Companies Act 2006, will lapse if it is not passed before the end of the period of 40 days beginning with the circulation date.

12.2 For the purposes of this **Article 54** (Articles of Association) "circulation date" is the date on which copies of the written resolution are sent or submitted to shareholders or, if copies are sent or submitted on different dates, to the first of those dates.

## 13. **NUMBER OF VOTES**

13.1.1 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a written resolution every holder of A Shares has one vote in respect of each A Share held by him and on a show of hands at a general meeting every holder of A Shares entitled to vote and who is present by a representative has one vote.

## EXTRACT FROM SHAREHOLDER AGREEMENT

### SCHEDULE

#### Matters reserved for approval of Shareholders

Unless approved in accordance with the requirements of **clause 4.7** (Shareholders Agreement), the Parties shall procure that the Company does not:

#### **PART A (Requiring unanimous approval of all shareholders)**

1. subject to FCA rules, extend the activities of the Company outside the scope of the business or close down any business operation;
2. subject to FCA rules, give any guarantee or indemnity outside the ordinary course of business to secure the liabilities of any person or assume the obligations of any person (other than a wholly owned subsidiary) (e.g. guaranteeing a lease that does not relate to the business of the Company);
3. subject to FCA rules, enter into or vary any contracts or arrangements with any of the shareholders or Directors (other than service agreements and letters of appointment as directors) or any person with whom any shareholder or Director is connected (whether as director, consultant, shareholder or otherwise) (eg any contract which could give preferential rights to a specific shareholder);
4. enter into any agreement not in the ordinary course of the business and/or which is not on an arm's length basis;
5. enter into or vary any agreement for the provision of consultancy, management or other services by any person which will, or is likely to result in, the Company being managed otherwise than by its Directors;
6. change the name of the Company;
7. pass a resolution or present a petition to wind up the Company or apply for an administration order or any order having similar effect in a different jurisdiction in relation to the Company unless in any case the Company is at the relevant time unable to pay its debts within the meaning of section 123 Insolvency Act 1986;
8. reduce or cancel any share capital of the Company, purchase its own shares, hold any shares in treasury, allot or agree to allot, whether actually or contingently, any of the share capital of the Company or any security of the Company convertible into share capital, grant any options or other rights to subscribe for or to convert any security into shares of the Company or alter the classification of any part of the share capital of the Company (in each case other than as expressly contemplated by this Agreement and/or the Articles including, without limitation, pursuant to **clauses 3 and 9** and Article 26 of the Articles (*Issue of Shares and Pre-Emption Rights*));

9. redeem or buy any shares or otherwise reorganise the share capital of the Company (in each case other than as expressly contemplated by this Agreement and/or the Articles including, without limitation, any redemption of B Shares by the Company pursuant to **clauses 3 and 9** and Article 27 of the Articles (*Rights Attaching to the Shares*), Article 34 of the Articles (*Shareholder Withdrawal*) and Article 35 of the Articles (*Deemed transfers to the Company*);
10. admit any person (other than a London Local Authority) as a member of the Company or an investor in the LGPS;
11. enter into any partnership, joint venture or profit sharing arrangement with any person;
12. alter any of the provisions of the Articles or any of the rights attaching to the shares;
13. amalgamate or merge with any other company or business undertaking;
14. sell, lease (as lessor), license (as licensor), transfer or otherwise dispose of any of its material assets otherwise than in the ordinary course of the business;

**PART B (Requiring majority approval of all shareholders)**

1. enter into or vary any licence or other similar agreement relating to intellectual property to be licensed to or by the Company which is otherwise than in the ordinary course of business;
2. appoint or remove the auditors of the Company;
3. alter the Company's accounting reference date;
4. make any significant change to any of the Company's accounting or reporting practices other than conforming with any changes made to the accounting standards adopted by the Company;
5. approve the annual accounts of the Company;
6. establish or amend any pension scheme (i.e. for employees of the Company);
7. remove any Director of the Company in accordance with the Companies Act 2006;
8. make any capitalisation, repayment or other distribution of any amount standing to the credit of any reserve of the Company or pay or declare any dividend or other distribution to the shareholders;
9. subject to FCA rules, enter into any agency, distribution or similar agreement which confers or is expressed to confer any element of exclusivity as regards any goods or services the subject of such agreement or as to the area of the agreement or vary such an agreement to include any such exclusivity.