
Dated: 2018

(1) London LGPS CIV Limited (Company Number: 09136445)

WRITTEN NOTICE in respect of delegation by the [London Borough/Royal Borough/City of London Corporation] in respect of the Pensions CIV Joint Committee ("PCSJC") constituted under the London Councils Governance Arrangements for the purposes of collective engagement by shareholders in the London LGPS CIV Limited

WRITTEN NOTICE in respect of delegation by the [London Borough/Royal Borough/City of London Corporation] in respect of the Pensions CIV Sectoral Joint Committee ("PCSJC") constituted under the London Councils Governance Arrangements

WHEREAS:

- A. The Pensions CIV Joint Committee ("PCSJC") is a sectoral joint committee operating under the London Councils governance arrangements (further to an agreement entered into by all the London local authorities dated 13 December 2001 (as amended)), the terms of reference of which sectoral joint committee are set out in Schedule A.
- B. Each London local authority which is a shareholder in the London LGPS CIV Limited (Company Number: 09136445) ("London CIV") agreed to appoint a representative to the PCSJC.
- C. New governance arrangements for collective shareholder engagement in and with the London CIV have been agreed in principle by the London CIV shareholders following consultation and approval by the PCSJC on 14 March 2018, and the Leaders Committee on 20 March 2018 and the London CIV AGM on 12 July 2018.
- D. Those new governance arrangements do not alter the rights of London CIV shareholders under the existing Shareholders Agreement.
- E. Those new governance arrangements provide for an Annual General Meeting and General Meeting and Shareholder Committee which together provide forums to approve the budget and forward plan of London CIV, review its performance and consult on matters of interest to the shareholders. A copy of the proposed terms of reference for the Shareholder Committee are set out in Schedule B.
- F. To enable the new governance arrangements to properly take effect it is necessary for all the London local authorities to each, in accordance with their own constitution and governance, revoke the delegation of the joint exercise of functions to the PCSJC as referred to in Recital A. and B. above, and to each formally agree to adopt the new governance arrangements.
- G. The revocation of the delegation of the joint exercise of functions by the PCSJC, and the dissolution of that sectoral joint committee, will take effect on the date that notice of the revocation is received by London Councils from every London local authority. The dissolution of the PCSJC is sought by the 31 July 2018 to allow the Shareholder Committee appointments to take effect in August and the first meeting of the new Shareholder Committee to take place in September. As part of these arrangements, additional non-executive directors nominated via the collective political processes of London Councils will be made in accordance with the Articles of Association of the London LGPS CIV Limited, subject to approval by the FCA .

WE HEREBY GIVE NOTICE THAT:

- 1. We revoke our delegation of the joint discharge of the relevant functions to the Pensions CIV Joint Committee ("PCSJC").
- 2. We accept and agree the new governance arrangements referred to above and in the letter signed by the Chief Executive of London LGPS CIV Limited (Company Number: 09136445) ("London CIV") and the Chief Executive of London Councils dated 13 June 2018 accompanying this written notice (the "New Arrangements").
- 3. We confirm and accept that the new governance arrangements supersede the PCSJC, that we support the dissolution of the PCSJC, and the making of appointments to the new Shareholder Committee and additional non-executive appointments and a Treasurer observer enabling the first meeting under the new arrangements to take place in September 2018.

EXECUTION SECTION

Notice is hereby authorised on behalf of [*INSERT FULL NAME OF AUTHORITY*]

Signed:

Name/s and

Status of signatory/ies:

Date:

Please sign and return this Written Notice to:

Alan Edwards:
alan.edwards@londoncouncils.gov.uk

Address :

London Councils
59½ Southwark Street
London SE1 0AL
Direct line: 020 7934 9540

Schedule A

Terms of Reference of the PCSJC

To act as a representative body for those London local authorities that have chosen to take a shareholding in the Authorised Contractual Scheme (ACS) Operator company established for the purposes of a London Pensions Common Investment Vehicle (CIV).

To exercise functions of the participating London local authorities involving the exercise of sections 1 and 4 of the Localism Act 2011 where that relates to the actions of the participating London local authorities as shareholders of the ACS Operator company.

To act as a forum for the participating authorities to consider and provide guidance on the direction and performance of the CIV and, in particular, to receive and consider reports and information from the ACS Operator particularly performance information and to provide comment and guidance in response (in so far as required and permitted by Companies Act 2006 requirements and FCA regulations).

In addition, members of the Pensions CIV Joint Committee will meet at least once each year at an Annual General Meeting of the ACS Operator to take decisions on behalf of the participating London local authorities in their capacity as shareholders exercising the shareholder rights in relation to the Pensions CIV Authorised Contractual Scheme operator (as provided in the Companies Act 2006 and the Articles of Association of the ACS Operator company) and to communicate these decisions to the Board of the ACS Operator company. These include:

- the appointment of directors to the ACS Operator board of directors;
- the appointment and removal of auditors of the company;
- agreeing the Articles of Association of the company and consenting to any amendments to these;
- receiving the Accounts and Annual Report of the company;
- exercising rights to require the directors of the ACS Operator company to call a general meeting of the company.

SCHEDULE B

London LGPS CIV Limited (the "Company") Shareholders Committee: Terms of Reference

1. Objective of the Shareholders Committee

1.1 The role of the Shareholders Committee (the "**Committee**"), which is a Committee of the London CIV, and acts collectively, is to :

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 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.