

## Appendix A: Companies Unit Terms of Reference

To assist it in its functions the Companies Unit:

1. may establish and consult standing sub-groups, such as might be required in respect of:
  - (a) Audit and Risk;
  - (b) Ethical practices; or
  - (c) Nominations and Remuneration
2. may establish and consult ad-hoc or task and finish sub-groups in respect of any matter; and
3. may establish and consult stakeholder groups on any particular aspect or the generality of the objects of the trading companies

A sub-group or stakeholder group may contain such co-opted members, advisors or observers as the Shareholder Group sees fit.

### Functions

1. Monitor the performance of a company in relation to its Business Plan and, in particular the company's performance:
  - (a) in financial matters
  - (b) against the social goals of the company as set out in the company's Objects, Business Case or Business Plan; and
  - (c) against the values of the Council.
2. Evaluate and monitor:
  - (a) the financial and social returns on investment (be that shareholding, loans or direct investment); and
  - (b) risks and opportunities including those arising from joint ventures or new opportunities.
3. Consider matters reserved to the Council/Cabinet for shareholder approval, such as:
  - (a) Varying Articles of Association
  - (b) Varying ownership and structure
  - (c) Variations to shares (number of, rights, etc)
  - (d) Entering contracts that:
    - (i) have a material effect on PCC Council business are outside of the business plan or do not relate to the business.
    - (ii) significant in relation to the size of the business, the business plan, etc.
  - (e) Material legal proceedings outside of ordinary business
  - (f) Adopting and amending business plans each year and strategic plans (3 years)
  - (g) Appointment, removal and the remuneration of directors members of the company board)
  - (h) Selection of the chair of the board

- (i) Appointment of auditors
- (j) Issue of dividends as more particularly set out in a company's Articles of Association or Shareholder Agreement.

### **Relationship**

The Companies Unit as it considers appropriate in accordance with its functions described above, may:

1. report and make formal recommendations to the Leader, directly or to the wider Cabinet;
2. make reports to and consult Overview and Scrutiny (including full Council) or make reports to and consult the Audit Committee, in relation to that Committee's particular functions.