APPENDIX 2 – SHAREHOLDER FUNCTION

1. ADDITION TO PART 2 - ARTICLES: NEW ARTICLE 18:

Article 18 – Wholly Owned Companies

Establishment

18.01 The Council may establish companies which are wholly-owned by the Council (hereafter “Council Companies”). Council Companies are separate legal entities, governed by their own boards and subject to company law.

18.02 Any company established by the Council in which the Council exercises the majority control – whether limited by shares or limited by guarantee – shall be considered a Council Company.

18.03 The Council shall have a Shareholder Function in respect of each of the Council Companies.

18.04 Where a company is limited by guarantee, and the Council is the sole member or has effective control, the Council shall be treated as the ‘Shareholder’ for the purposes of this Constitution. This terminology is used for consistency and ease of reference and does not affect the underlying legal structure of the company.

Shareholder Function

18.05 The Shareholder Function is an executive function.

18.06 The Shareholder Function will be exercised via a sub-committee of Cabinet known as the Shareholder Committee, with terms of reference approved by Cabinet, with officer delegation set out in the Scheme of Delegation.

APPENDIX 2 – SHAREHOLDER FUNCTION

2. ADDITION TO PART 3 - REMITS AND TERMS OF REFERENCE OF COUNCIL BODIES – B CABINET

After B.19 add a new B.20:

B.20 Exercising the Council's Shareholder Function (see Part 2 – Article 17) in respect of the Council Companies, or companies in which the Council has an interest

(renumber the rest of Part B accordingly)