
DRAFT SHAREHOLDER AGREEMENT

Committee: LATC Establishment Committee

Date: 27 November 2015

Author: Chief Executive, Director, Commercial and Corporate Services and Chief Financial Officer

[Q124]

1.0 ISSUE

1.1 Draft Shareholder Agreement between the Council and the Local Authority Trading Company (LATC).

2.0 RECOMMENDATIONS

2.1 Members are requested to:

- (i) approve the outline Shareholder Agreement attached in Appendix 1;
- (ii) instruct the Chief Executive to bring forward detailed legal documentation to next LATC Establishment Committee meeting for recommendation to Council in January 2016.

3.0 BACKGROUND

3.1 The LATC Establishment Committee, (ref: 22 October 2015, Agenda Item No.6) instructed the Chief Executive to prepare the Shareholder Agreement and Articles of Association. Prior to the formal drafting of these two legal agreements by the Council's advisors, an initial draft Shareholder Agreement is presented to members for their approval.

3.2 The initial draft is attached as Appendix 1 and its main features are summarised below, specifically:-

- details reserved matters which cannot be made by the LATC without Full Council approval, specifically changes to the company, shares and capital, indebtedness, composition of Board of Directors and company directors and business planning;
- the purpose and management of the Company in relation to its objectives and purpose, the governance arrangements and the distribution of surpluses;
- the role of the Shareholder Committee.

4.0 CONCLUSIONS

4.1 The initial Shareholder Agreement attached as Appendix 1 will inform the basis of the legal documentation including the Articles of Association to be presented to the next meeting for recommendation to January 2016 Council.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT (EIA)

- 5.1 Any financial implications arising from these arrangements will be incorporated into the LATC Business Plans by the Chief Financial Officer. There is no requirement for an EIA at this stage.

6.0 APPENDICES

- 6.1 Appendix 1 - Initial draft Shareholder Agreement.

Background Documents

LATC Establishment Committee
22 October 2015
Agenda Item No. 6

Location

Room 103
The Grange
Ely

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