

CHAS 2013 Ltd (company no: 08466203 (England and Wales)) (Company)

Delegations Matrix [Draft June 2124/4/24]

1. There are no matters 'reserved' for the London Borough of Merton ("the Council") explicitly listed in the articles of association for the Company ("the Articles"). Instead, the Articles make reference to this Delegations Matrix, which governs where matters will require a decision from the Council (as applicable) before they can be actioned (unless such matters have already been contemplated in a Business Plan approved under this Delegations Matrix).
2. This initial version of this Delegations Matrix is incorporated into the Shareholder Agreement made between the Council (as sole shareholder) and the Company.
3. This Delegations Matrix may be reviewed at an annual general meeting (or equivalent) of the Company, as part of which any proposed variations may be raised by the directors of the Company.
4. The board of the Company may, in its absolute discretion in accordance with the Articles, delegate any of the powers which are conferred on them under the Articles and this Delegation Matrix to such person or committee as they think fit.
5. The directors shall in all cases consider whether a matter for decision may require reference to the Council, notwithstanding the delegations below. This may be due to the reputational or other potential impacts on the Council as shareholder.

	ACTIVITY	COUNCIL	BOARD
	Corporate		
1	Altering the Articles or the rights attaching to any of the shares in the Company (except as provided in clause 16.2 of the SHA).	Approval	
2	The admission of a new Shareholder to the Company or the expulsion of any then existing Shareholder (other than in accordance with the Articles).	Approval	Recommendation
3	Altering the amount of the Company's issued share capital, granting any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeeming or purchasing any of its own shares or effecting any other reorganisation of its share capital.	Approval	Recommendation
4	Issuing any loan capital in the Company or entering into any commitment with any person with respect to the issue of any loan capital and making any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit (other than in the normal course of trading) or giving any guarantee (other than in the normal course of trading) or indemnity.	<p>Approval where not contemplated by the prevailing Business Plan</p> <p><u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u></p>	<p>Approval where contemplated by the prevailing Business Plan</p> <p><u>Approval where already specifically authorised as part of the agreement to the annual business plan</u></p>

Commented [FH1]: There is no clause 16.2 in the new draft of the SHA

	ACTIVITY	COUNCIL	BOARD
5	Applying for the listing or trading of any shares or debt securities on any stock exchange or market.	Approval	Recommendation
6	Altering the name of the Company, its registered office or the status of the Company.	Approval	Recommendation
7	Forming any Company subsidiary or associated undertaking, acquiring shares in any other company or entity (subscription or transfer) such that the Company becomes a Subsidiary, entering into joint ventures or partnerships (incorporated or not).	<p>Approval where not contemplated by the prevailing Business Plan</p> <p><u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u></p>	<p>Approval where contemplated by the prevailing Business Plan</p> <p><u>Approval where already specifically authorised as part of the agreement to the annual business plan</u></p>
8	Amalgamating or merging with any other company or business undertaking or acquiring or purchasing a company or other business.	<p>Approval where not contemplated by the prevailing Business Plan</p> <p><u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u></p>	<p>Approval where contemplated by the prevailing Business Plan</p> <p><u>Approval where already specifically authorised as part of the agreement to the annual business plan</u></p>
9	Alteration in the nature/scope of the Business, or closing down/commencing any new business where the same is not ancillary or otherwise incidental to the business of the Company.	<p>Approval where not contemplated by the prevailing Business Plan</p> <p><u>Approval unless already specifically authorised as part of the agreement to</u></p>	<p>Approval where contemplated by the prevailing Business Plan</p> <p><u>Approval where already specifically authorised as part of the agreement to</u></p>

	ACTIVITY	COUNCIL	BOARD
		<u>the annual business plan</u>	<u>the annual business plan</u>
10	Declaring or paying any distribution in respect of profits, assets or reserves of the Company or in any other way reducing the reserves of the Company.	Approval if outside the process set out in the Articles.	Approval if in accordance with process set out in the Articles.
11	<u>Appointment and dismissal of Directors</u>	<u>Council</u>	
	Borrowing and acquisition/disposal of assets		
12	Entering into (or agreeing to enter into) any borrowing arrangement on behalf of the company and giving any security in respect of such borrowing (including creating or granting any Encumbrance over the whole or any part of the Business, undertaking or assets of the Company or over any shares in the Company or agreeing to do so other than liens arising in the ordinary course of business or any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business).	Approval where not contemplated by the prevailing Business Plan <u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u>	Approval where contemplated by the prevailing Business Plan <u>Approval where already specifically authorised as part of the agreement to the annual business plan</u>
13	Making any acquisition or disposal by the Company of any material asset(s) outside	Approval where not contemplated by the prevailing Business Plan	Approval where contemplated by the prevailing Business Plan

	ACTIVITY	COUNCIL	BOARD
	of the Business Plan.	<u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u>	<u>Approval where already specifically authorised as part of the agreement to the annual business plan</u>
	Winding up		
14	Making any petition or passing any resolution to wind up the Company or making any application for an administration or winding up order or any order having similar effect in relation to the Company or giving notice of intention to appoint an administrator or file a notice of appointment of an administrator <u>including automatic strike out.</u>	Approval	
	Business Plan		
15	Adopting or amending the Business Plan in respect of each Financial Year.	Approval	Recommendation
	Audit and accounting		
16	Approval of statutory accounts and appointment of auditors		Approval

	ACTIVITY	COUNCIL	BOARD
17	Approval of appointment of auditors	Approval	
4718	Making or permitting to be made any material change in the accounting policies and principles adopted by the Company in the preparation of its audited and management accounts except as may be required to ensure compliance with relevant accounting standards under the Act or any other generally accepted accounting principles in the United Kingdom.	Approval	Recommendation
4819	Changing the financial year of the Company	Approval	Recommendation
Operations			
4920	Entering into any arrangement, contract or transaction above an overall value of £15000,000.00 (five hundred thousand <u>one Million</u> pounds) either in the singular or, where the same are related, in the aggregate.	Approval where not contemplated by the prevailing Business Plan <u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u>	Approval where contemplated by the prevailing Business Plan <u>Approval where already specifically authorised as part of the agreement to the annual business plan</u>
2021	Other than in the normal course of business , granting any rights (by licence or otherwise) in or over any intellectual	Approval	Recommendation

Commented [FH2]:
Question for CHAS
What does CHAS mean by normal course of business?

	ACTIVITY	COUNCIL	BOARD
	property used by the Company.		
242	Amendments to contracts	<u>Approval if amendments to the contract will increase the value of the contract over £1,000,000.00 (one million pounds)</u>	Approve if material <u>Approval if amendments to the contract will increase the value of the contract under £1,000,000.00 (one million pounds)</u>
222	Terminating contracts	<u>Approval with regards contracts whose value is over £500,000.00 (five hundred thousand pounds)</u>	Approval where material <u>Approval with regards contracts whose value is under £500,000 (five hundred thousand pounds)</u>
232	Writing off debts	<u>Approval for debts over £250,000.00 (two hundred and fifty thousand pounds)</u>	Approval where above £[] <u>Approval for debts below £250,000.00 (two hundred and fifty thousand pounds)</u>

	ACTIVITY	COUNCIL	BOARD
	Recruitment and employment		
2425	[Approving the Pay Policy Statement or any changes to the Pay Policy Statement or establishing or amending any profit-sharing, bonus or other incentive scheme of any nature for any Director, officer or employee of, or consultant to, any Group Company.]	<u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u>	Approval <u>Approval where already specifically authorised as part of the agreement to the annual business plan</u>
2526	[Establishing or amending any pension scheme or granting any pension rights to any Director, officer, employee, former Director, officer or employee (in each case) of any Group Company, or any member of any such person's family.]	<u>Approval unless already specifically authorised as part of the agreement to the annual business plan</u>	Approval <u>Approval where already specifically authorised as part of the agreement to the annual business plan</u>
2627	[Agreeing Exceptional Expenses. ¹]		Approval
	[Note: The Company's proposal for the matters dealt with in lines 23 -25 are the following three lines (26-28)]		
2728	Determine the remuneration package and terms and conditions of employment for	Approval	

Commented [FH3]: If CHAS is proposing to replace activity 25 to 27 (new numbering) then see amendments to the proposed replacement activities.

Commented [FH4]: See comment below re: Pay Policy statement

Commented [FH5]: See below activity 30

¹ Under the SHA this means payment of any exceptional or unusual expenses to any Director, officer or employee of, or consultant to, any Group Company, for example (without limitation), non-standard hotel accommodation and foreign travel.

	ACTIVITY	COUNCIL	BOARD
	any full-time executive director.		
<u>29</u>	<u>Appointment of Managing Director</u>	<u>Approval</u>	<u>Recommendation</u>
<u>283</u>	Establishing the policies for recruitment of employees and the pay and <u>conditions (including pensions)</u> of employment of employees of the Company.	<u>Approval where not contemplated by the prevailing Business Plan</u>	<u>Approval</u> <u>Approval where contemplated by the prevailing Business Plan</u>
<u>293</u>	Establishing the policy for the approval and payment of <u>e</u> Exceptional expenses.	Approval	Recommendation
Other Matters finished here			
<u>303</u>	Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against the Delivery Vehicle, except in relation to debt collection in the ordinary course of the business of the Delivery Vehicle.		Approval where <u>material</u>
<u>313</u>	Making any agreement with any relevant authority for tax purposes in relation to the Company, its business, assets or undertakings or making a claim,		Approval where material

Commented [FH6]: Question to CHAS:

Are they proposing that the pay policy statement will be dispensed with? Because the council's expectation is that the pay policy statement would be in the Business Plan so enabling the Council comfort that pay etc is not excessive, as this may cause reputational issues for the Council. Please note references to pay policy statement has been reinserted in the proposed SHA at clauses 2 and 4

Commented [FH7]: Question to CHAS as to what they think is material?

See LBM insertion of clause 2.5 in the proposed SHA

	ACTIVITY	COUNCIL	BOARD
	disclaimer, election or consent .		
3232	Making any announcements or releases of whatever nature in relation to the Company's Business.	<u>Approval if in the reasonable opinion of CHAs there is likely to be a significant impact on the Council</u>	Approval <u>Approval where there is no impact on the Council</u>
3335	The making of any material charitable donation.	<u>Approval over £100,000.00 (one hundred thousand pounds)</u>	Approval <u>Approval under £100,000.00 (one hundred thousand pounds)</u>

END

The new RM that was suggested by LBM re: giving a guarantee, suretyship or indemnity to secure the liabilities of any person or assume the obligations of any person has not been included

Commented [FH8]: Question to CHAS
What do they consider material?
See LBM insertion of clause 6.3 in the proposed SHA

Commented [FH9]: Question to CHAS:
Why was this not included?