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| Agenda Item | 18 |
| Report No | HC/26/18 |

HIGHLAND COUNCIL

Committee: Highland Council

Date: 28 June 2018

Report Title: **High Life Highland – Amendment to Articles of Association**

Report By: **Head of Corporate Governance**

1. Purpose/Executive Summary

- 1.1 This report outlines a request from the Board of High Life Highland to amend the company's Articles of Association in regard to the establishment of a Health and Safety and Environmental Compliance Strategic Committee.
- 1.2 The Highland Council is the sole Member of High Life Highland (a company limited by Guarantee).

2. Recommendations

- 2.1 Members are asked to agree to amend Article 111, inset Article 112A and amend Article 113 of the Company's Memorandum and Articles, as detailed in Appendix A.

3. Background

- 3.1 High Life Highland have had, for some time, a Health and Safety and Environmental Compliance Strategic Group.
- 3.2 A Directors' annual review and assessment workshop of High Life Highland was held on 13 December 2017. At this workshop, Directors expressed the view that the Strategic Group should be formalised. It is therefore recommended that it should be added to the formal committees required in the Memorandum and Articles of Association of High Life Highland. (The two existing committees are the Finance and Audit Committee and the Nominations Committee). A request to change the Memorandum and Articles of Association requires the agreement of the Highland Council.

4. Amendments

- 4.1 At its meeting on 14 June 2018 the Board considered the issue and agreed to request that amendments be made to the company's Memorandum and Articles of Association.
- 4.2 This will require the amendment of Article 111 to include this new Committee alongside the existing Finance and Audit Committee; inserting Article 112A to detail the membership of the Health and Safety and Environmental Compliance Strategic Committee; and the amendment of Article 113 to confirm that its composition and proceedings will be governed by such standing orders as may be issued by the directors from time to time.
- 4.3 These amendments are detailed in **Appendix A**, the Member's Written Special Resolution.

5. Implications

- 5.1 Resource – there are no resource implications arising from this report.

Legal – there are no legal implications arising from this report.

Community (Equality, Poverty and Rural) – there are no Community implications arising from this report.

Climate Change/Carbon Clever – there are no Climate Change/Carbon Clever implications arising from this report.

Risk – there are no identifiable risks arising from this report.

Gaelic – there are no Gaelic implications arising from this report.

Designation: Head of Corporate Governance

Date: 18 June 2018

Author: Jane Maclennan

Companies Act

MEMBER'S WRITTEN SPECIAL RESOLUTION

OF

HIGH LIFE HIGHLAND ("the Company")

(Company Number SC407011)

Circulation Date:- 28 June 2018

In accordance with sections 288 to 300 of the Companies Act 2006, we, being the sole member of the Company and representing 100% of the voting rights in respect of the following resolutions on the circulation date (as set out above), agree to the following resolution, which is proposed as a special resolution of the Company:

That the provisions of the articles of association of the Company be altered by:

1. Amend article 111 with the insertion of the following:

"111 The directors shall establish a committee (referred to in these articles as "the Finance and Audit Committee") to assist the board of directors in fulfilling its responsibilities with regard to oversight of (a) the company's financial statements and auditing, accounting and related reporting processes and (b) the company's systems of internal control regarding finances, accounting and financial reporting *and a committee (referred to in these articles as the Health and Safety and Environmental Compliance Strategic Committee) to assist the board of Directors in fulfilling its responsibilities with regard to annual and exception reporting on health and safety performance.*"

2. Inserting article 112A with the following:

"The Health and Safety and Environmental Compliance Strategic Committee shall comprise

112A.1 the head of performance of the company;

112A.2 two Directors;

112A.3 such other individuals (if any) - who need not be directors of the company - as the directors may determine."

3. Amend article 113 with the insertion of the following:

"113 Subject to article 112 *and 112A*, the composition and proceedings of the Finance and Audit Committee *and the Health and Safety and*

Environmental Compliance Strategic Committee shall be governed by such standing orders as may be issued by the directors from time to time.”

These presents typewritten on this page are sealed with the Common Seal of the said Highland Council and signed for them and on their behalf by Stewart David Fraser, their Head of Corporate Governance, Proper Officer, at Inverness on the twenty eighth day of June Two Thousand and Eighteen.

For and on behalf of Highland Council

Date