

Minutes of a Special Meeting of the Board of Governors  
held at 3.45pm on Tuesday, 1 October 2013  
in 1B27, Technopark, London SE1 and via Conference Call

**Present**

David Longbottom	Chairman
Dame Sarah Mullally	Vice Chair
Barbara Ahland	
Anne Montgomery	
Diana Parker	
Prof Shushma Patel	
Prof Jon Warwick	

**Attending via Conference Call**

Steve Balmont  
Douglas Denham St Pinnock  
Andrew Owen  
James Smith

**Apologies**

Martin Earwicker	Vice Chancellor and Chief Executive
Ken Dytor	
Prof Hilary McCallion	
Mee Ling Ng	

**In attendance**

Katie Boyce	Director of Human Resources
Richard Flatman	Executive Director of Finance
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Officer

**Notice and Quorum**

1. The Chairman reported to the meeting that due notice of the meeting had been given to each Governor and that a quorum was present. Accordingly the Chairman declared the meeting duly convened and constituted.

**Business of the Meeting**

2. The Chairman reported that the business of the meeting was to deal with matters in relation to a proposed loan to be made available to the University's

Vice Chancellor designate and director designate, David Phoenix (**Borrower**). It was reported that the Remuneration Committee of the University had recommended that the University provide a secured, interest free loan of between £300,000 and £360,000 to the Borrower (**Loan**) for the sole purpose of enabling the Borrower to purchase living accommodation in a London borough (**Property**).

3. The terms of the Loan were set out in a loan agreement to be entered into between (1) the University and (2) the Borrower (**Loan Agreement**). The University were prepared to provide the Loan to the Borrower on the basis that the Borrower grant a legal mortgage over the Property in favour of the University (**Legal Mortgage**).
4. The Chairman reported that the business of the meeting was to:
  - 4.1 consider and if thought fit, approve the Loan;
  - 4.2 consider and if thought fit, approve entry into and delivery of the Loan Agreement; and
  - 4.3 consider and if thought fit, approve entry into and delivery of the Legal Mortgage.

#### **Declaration of Interest**

5. Pursuant to section 177 of the Companies Act 2006 and the University's articles of association no interests were declared in the business of the meeting. Also, as the Borrower was to be appointed a director and Governor of the University, the provisions of sections 197 to 214 of the Companies Act 2006 were considered.
6. It was noted that, pursuant to the University's articles of association, a director/Governor may not vote and form part of the quorum at a meeting of Governors or of a committee on a resolution which concerns or relates to a matter in which he has directly or indirectly an interest. Accordingly, it was acknowledged that the Borrower was not present at the meeting.

#### **Documents produced to the meeting**

7. An execution version of the Loan Agreement and the Legal Mortgage (**Documents**) were produced to the meeting.

#### **Consideration of Documents**

8. The terms of the Documents were duly and carefully considered.

9. The board noted the detailed terms in relation to:
  - 9.1 the provision of the Loan, including the repayment date of 2 years after the date of the Loan Agreement, that the Loan is interest free and the events of default which would enable the University to accelerate repayment of the Loan; and
  - 9.2 the Legal Mortgage, including that the University would obtain a first ranking mortgage over the Property.
10. The Documents were fully and carefully considered by the Governors. The Board requested an additional event of default to be added into the loan agreement that in the event that the Borrower did not commence employment with the University he would be obliged to pay back the sum borrowed.
11. The Chairman explained to the board, and the board fully and carefully considered and noted the commercial reasons why the University should enter into the Documents, that it was in the best interests of the University to provide a reasonable relocation package to the Vice Chancellor designate who would be relocating from Lancashire to central London in order to be closer to the University and to readily undertake university engagements as appropriate.
12. The board then considered whether it was in the best interests of the University to execute the Documents.
13. It was noted that the execution and delivery by the University of the Documents and the exercise of its rights, the assumption of its liabilities and performance of its obligations under the Documents will not result in any breach of any restriction imposed on it by its articles of association and/or memorandum of association or other agreement to which it is a party and which is binding on it.
14. The Chairman reminded the Governors of their statutory duty to promote the success of the University for the benefit of its members as set out at Section 172(1) of the Companies Act 2006. After further discussion, it was the conclusion of the Governors, having considered the success of the University, that the Documents and the transactions contemplated by it would promote the success of the University for the benefit of its members as a whole and its charitable benefactors.

**Members' approval**

15. It was reported that it was considered necessary under sections 197 to 214 of the Companies Act 2006 for the members of the University to pass resolutions approving the entry into the Documents by the University.
16. The resolutions would be by way of ordinary resolutions, drafts of which were produced to the meeting, which included variations on the amount of the loan to be advanced to the Borrower between £300,000 and £360,000 to be determined by the Chairman. It was resolved that the University Secretary be authorised and instructed to send the ordinary resolutions to the members of the University entitled to attend and vote at general meetings of the University.
17. The meeting then adjourned to enable the ordinary resolutions to be circulated.
18. Upon resumption of the meeting it was reported that the ordinary resolutions had been passed in accordance with the University's articles of association. A copy of the ordinary resolutions signed by the Chairman of the Board of Governors of the University was tabled.

**Authority to execute documents**

19. It was resolved that:
  - 19.1 the terms of, and the transaction contemplated by, the Documents and any ancillary or related documents be and are approved and that the University execute the Documents and any related or ancillary documents;
  - 19.2 the Chairman had the authority of the Board and the members to agree the final loan amount with the Borrower between the limits of £300,000 and £360,000;
  - 19.3 the Chairman (or failing whom the Vice Chair) and the University Secretary be and are authorised to sign the Documents and any ancillary or related documents to the Documents and in doing so to agree and approve any amendments made to the Documents and any such ancillary or related documents after the holding of this meeting; and
  - 19.4 any Governor or two Governors be and are authorised to sign and/or despatch or deliver all other documents, notices and certificates to be

signed and/or dispatched or delivered by the University under or in connection with the Documents.

**Filing**

20. The University Secretary was instructed to make all necessary and appropriate entries into the books and registers of the University.

**Close of meeting**

21. There being no further business the Chairman declared the meeting closed.

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**Chairman**