UKGI00025771

**Draft: 14 January 2020**

## UKGI - Disputes and Litigation Checklist

*General governance procedures for each asset*

1. Hold an **annual review meeting with the chair** to work through an agenda which is developed ahead of time with the input of the UKGI board representative and which addresses key areas of risk, management performance and board effectiveness.

2. Hold an **annual private meeting with the lead partner** at the auditing firm to discuss key items arising in the management letter and general impressions of management, audit committee and board performance.

3. Consider introducing an **annual certification** by the CEO and CFO of the internal control procedures. This is a step which is envisaged by the *Brydon Review* (deriving from US Sarbanes Oxley requirements). The idea of course would be to bring additional focus to the adequacy of these control procedures.

4. Ensure that there is an **externally facilitated board effectiveness review** every 3 years (with UKGI having input into the identity of the party undertaking the review) and that UKGI has access to the report and the opportunity to meet privately with the reviewer. This review would also suggest a structure for a review process in the other 2 years.

*Procedures relevant to disputes and litigation*

5. Establish a **protocol** for each asset which:

   - articulates which claims and disputes will be *material* in relation to the asset. This could be primarily by reference to the amount of money potentially at risk - maybe expressed as a percentage of revenue - but should also cover other matters of high sensitivity (eg harassment or discrimination claims);

   - requires that the Framework Agreement with the asset provides for UKGI to be *notified* whenever a material claim or dispute arises and, subject to privilege constraints, provides for key details of the claim or dispute to be shared with UKGI;

UKGI00025771



- provides that, within 14 days of notification of a material claim or dispute, the asset prepares a *conduct framework* which contains proposals for the manner in which UKGI will be consulted on (a) strategy, (b) key decisions and (c) public statements in relation to the matter. The parties will seek to settle this within 7 days. The asset will have conduct of the matter, and be accountable for such conduct, but with the structured involvement of UKGI and subject to Reserved Matters;
- ensures that the *Reserved Matters* for the asset include veto rights over the most significant decisions in a material dispute (such as settlement);
- provides that UKGI (a) is consulted on the choice of external legal advisers, counsel, expert witnesses and other advisers and that its reasonable recommendations are taken into account, (b) has the right to call for private briefings by these advisers and (c) has the right to call for second opinion advice to be given to the asset on matters deemed by it to be particular significance; and
- provides that UKGI shall have the right, at important moments in the conduct of the matter (as determined by UKGI), to require the board of the asset to appoint a *critical friend* nominated by UKGI to input into board and management discussions and decision-making.

6. In relation to each material claim or dispute and the associated *protocol,* UKGI will need to ensure that its approach is agreed with the relevant Government Department and that the level of input provided by the Department is agreed.

Christopher Saul