



**SCOTTISH RUGBY LIMITED**

**TERMS OF REFERENCE  
OF THE  
INVESTMENT COMMITTEE  
OF  
THE BOARD OF DIRECTORS**

**APPROVED BY THE BOARD ON: 19 DECEMBER 2018 AND AS AMENDED, ON 24 APRIL 2023.**

**SCOTTISH RUGBY LIMITED  
INVESTMENT COMMITTEE**

**TERMS OF REFERENCE**

**1. Definitions**

In these Terms of Reference, the terms listed below shall, where used, have the meanings ascribed to them:

<b>“Annual Report”</b>	means any annual report prepared and published by the Company in relation to the Company’s business, affairs and activities and which may include the Financial Statements and information (including financial information) provided by or applicable to SRU;
<b>“Board”</b>	means the board of directors of the Company;
<b>“Committee”</b>	means the Investment Committee of the Board;
<b>“Company”</b>	means Scottish Rugby Limited, a private company limited by shares with registered number SC132061, having its registered office at Murrayfield Stadium, Edinburgh, EH12 5PJ and, for the purposes of these Terms of Reference, includes its wholly or majority owned subsidiaries which together constitute a group of companies for the purpose of financial or legal reporting;
<b>“Financial Statements”</b>	means any interim and annual financial statements of the Company;
<b>“SRU”</b>	means Scottish Rugby Union, a company limited by guarantee, with registered number SC748672 and having its registered office at Murrayfield Stadium, Edinburgh, EH12 5PJ.

**2. Constitution**

- 2.1 The Board has resolved to establish the Committee under and as permitted by the Company’s Articles of Association.
- 2.2 In addition to its powers and responsibilities under the Companies Acts, common law and under its Articles of Association, the Company also exercises certain powers delegated to the Company by SRU under SRU’s Articles of Association, which in turn may be delegated by the Board to the Committee under the Company’s Articles of Association.
- 2.3 These Terms of Reference and the role and responsibilities of the Committee under them shall:
- 2.3.1 extend to the Company itself as well as to the exercise of powers provided for or delegated to the Company by SRU generally; but
  - 2.3.2 **not** extend to the activities or financial or legal reporting of SRU itself, unless specifically delegated.

### 3. Membership

- 3.1 The Committee shall be appointed from among the non-executive and executive Directors of the Company subject to the following:
- 3.1.1 the majority of the Committee shall be non-executive Directors;
  - 3.1.2 the non-executive Director members shall be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.
- 3.2 The Committee shall consist of at least two members, with a quorum being two members, at least one of whom shall be a non-executive Director.
- 3.3 The Chair of the Committee shall be appointed by the Board. If by 15 minutes after the scheduled time of commencement of a meeting the Chair is not present, another member of the Committee may act as Chair temporarily, until the arrival of the Chair, provided that the meeting is otherwise quorate.

### 4. Attendance and Business at Meetings

- 4.1 The Chief Executive (if he or she is not a member of the Committee), the Chief Financial Officer and General Counsel & Company Secretary shall normally be invited to attend all or part of the Committee's meetings.
- 4.2 The General Counsel & Company Secretary, or with the consent of the Chair of the Committee, another employee delegated by the General Counsel & Company Secretary, will attend and act as Secretary to the Committee.
- 4.3 The Company Chair, other Board members and external advisers may be invited by the Chair or the Committee to attend all or part of any meeting of the Committee.
- 4.4 Meetings of the Committee may be held in person or by telephone or videoconference and shall be confidential.
- 4.5 Committee members shall disclose any actual or potential conflict of interest at the beginning of a meeting or immediately on it arising, to then be dealt with by the Committee as provided for in the Company's Articles of Association. The Committee member involved may require to be recused and/ or play no part in the business of the meeting to which the conflict relates.
- 4.6 Any resolution or decision of the Committee in writing (including by e-mail) signed, or in the case of e-mail providing assent, by a majority of the members of the Committee shall be as effective as a resolution passed or a decision made at a meeting of the Committee duly convened and held, and may consist of several documents in like form, each signed or in the case of email, providing assent, by one or more of the members of the Committee.
- 4.7 Questions or proposals arising at a Meeting shall be decided by a majority of votes. In the case of an equality of votes the Chair of the Committee shall have a casting vote.
- 4.8 If the Chair elects not to use their casting vote, the question shall be referred to the Board for determination.

## 5. Frequency of Meetings

Meetings will be held regularly as required. Meetings may be called by the Committee Chair or by the General Counsel & Company Secretary.

## 6. Duties and Responsibilities

The duties and responsibilities of the Committee shall be:

- 6.1 to work with the executive team in formulating the Company's approach to the potential for third party investment into various aspects of professional and high performance rugby in which the Company has an interest (including investment into the Company );
- 6.2 to consider the terms and implications for the Company's operations, structure, employees and stakeholder relationships of any proposal submitted or made available to the Company in respect of
  - 6.2.1 the acquisition by any third party of any of the Company's interests in external rugby organisations, or where the proposed investment by a third party in such organisations alters the Company's own interest, membership or shareholder rights or influence;
  - 6.2.2 the acquisition by a third party of an interest in the Company, any of its subsidiaries, operations, or revenue streams or of any of the professional teams owned or operated by the Company;
- 6.3 taking account of external expert advice, as required, to
  - 6.3.1 assess the value, benefit and risk/ reward profile for the Company and its members of third party investment proposals referred to in paragraph 6.2;
  - 6.3.2 consider and assess proposals for investment by the Company in the equity or capital of third party organisations, including the reinvestment of any proceeds derived from disposal or dilution of the interest the Company may have in external rugby organisations;
- 6.4 to advise and if thought fit, to make recommendations to the Board on whether any of the investment proposals referred to above should be progressed, adjusted, accepted or rejected;
- 6.5 to assist the Company's representatives, including directors and employees, in identifying and avoiding any conflicts of interests which may arise when contemplating or dealing with any investment proposals;
- 6.6 if any conflicts or potential conflicts arise, to provide appropriate direction and guidance on the declaration, recording, management and authorisation, if considered appropriate, of any conflicts in accordance with the Company's Articles of Association and applicable legislation;
- 6.7 liaise with the Board and other Board Committees, Directors and senior employees on any issues or matters arising from the work of the Committee which are or may be relevant to the work and responsibilities of the Board or those other Committees, such as but not limited to executive performance and remuneration, financial reporting and the management of risk and financial control;

- 6.8 to consider whether there are any matters to be placed on the agenda for any General Meeting for members' approval;
- 6.9 to review those elements of the Annual Report or Financial Statements that relate to the work of the Committee, prior to publication;
- 6.10 to undertake such other tasks, projects and activities as may be delegated to the Committee by the Board;
- 6.11 to report annually to the Board on the conduct of the Committee's business and the Committee's effectiveness; and
- 6.12 to review the Committee's Terms of Reference, from time to time, as appropriate.

## **7. Authority**

- 7.1 In carrying out its duties under these Terms of Reference the Committee has authority to and responsibility for:-
  - 7.1.1 undertaking its own research or analysis;
  - 7.1.2 obtaining outside legal, financial, investment banking or other independent professional advice if it considers this necessary for the fulfilment of its duties and for approving the terms of appointment and remuneration of those advisers, provided that the anticipated remuneration for any single appointment does not exceed £300,000.
- 7.2 The Committee has access to the advice and services of the Chief Financial Officer and Company Secretary on all Committee matters.
- 7.3 The delegation of certain duties and authority to the Committee by the Board shall not prevent the Board from itself performing those duties or exercising that authority.

## **8. Reporting**

- 8.1 The Secretary to the Committee shall circulate the minutes of meetings of the Committee to all Committee members and the minutes shall be available to all other members of the Board, on request to the General Counsel & Company Secretary.
- 8.2 A copy of the papers for each meeting is to be made available by the Secretary to each member of the Committee and the Chief Financial Officer as soon as practicable in advance of each meeting. Copies of papers shall be made available to other Board Directors who are not members of the Committee and to the Company's auditors, on request to the General Counsel & Company Secretary.
- 8.3 The Chair of the Committee, or in the Chair's absence, a member of the Committee or the Company Secretary shall report on the business of a Committee meeting to the Board at the next following Board meeting.

- 8.4 The Chair of the Committee, or in the Chair's absence a member of the Committee, shall attend and report at least annually to the board of directors of SRU on the activities of the Committee, if invited to do so.
- 8.5 These Terms of Reference may be published by the Company in such form and manner as the Board may decide.

## **9 Approval of Terms of Reference and Amendments**

These Terms of Reference, and any amendments to them, shall be subject to the approval of the Board.

**Approved by the Board, as amended, with effect on 24 April 2023.**

**Robert M Howat**  
**General Counsel & Company Secretary**