

ST. JOHN'S COLLEGE

MINUTES

A meeting of **GOVERNING BODY** was held on Wednesday 11th May 2016 at 2.00 p.m. in the Senior Common Room.

Present: The President, Professor J. C. G. Pitcher, Professor C. J. K. Batty, Professor I. J. Sobey, Professor A. Grafen, Professor A. J. Parker, Professor S. Elston, Professor P. P. Craig, Professor M. Cannon, Professor K. Nation, Professor J. Ouaknine, Professor H. Bouman, Professor A. Wright, Professor A. Starinets, Professor J. Schnell, Ms. S. Layburn, Professor H. Skoda, Professor N. Lübecker, Dr. K. Doornik, Professor R. Ekins, Professor J. Obloj, Dr. G. Kantor, Professor J. Stanyek, Professor J. Bray, Professor K. Southwood, Professor Z. Olszewska, Dr. I. Klinke

Apologies: Professor A. R. Weidberg, Dr. C. Whistler, Professor L. M. McDowell, Professor P. K. Maini, Professor N. P. Harberd, Professor C. Newton, Professor J. J. Pandit

In attendance: Ms. D. Cripps

ACTION

AGENDA 'B'

Loan to the College

The Principal Bursar briefed Governing Body on the progress of discussions regarding a loan to the College via a private placement.

1 It was **REPORTED** that in advance of the meeting of the Governing Body the following documents (the '**Documents**') had been circulated to Finance Committee in relation to a proposal to raise £40 million by way of a private placement:

- a) a paper from the Principal Bursar setting out the proposal to enter into a private placement (the '**Private Placement**') of up to £40 million fixed rate notes (the '**Notes**') in order to finance the construction of the Library and Study Centre and for other general corporate purposes (the '**Transaction**');
- b) a memorandum from Mills & Reeve LLP on the legal process in relation to a private placement transaction;
- c) a draft of the note purchase agreement (the '**NPA**') between the College and the purchasers of the Notes which will set out the terms on which the Notes will be issued;

and

- d) the investor presentation document delivered to potential investors (the '**Investor Presentation**').

The Principal Bursar reported on the comments received from members of the Finance Committee and took further questions. The Principal Bursar confirmed that as a result of this discussion Finance Committee were supportive of the proposal to proceed with the transaction.

2 It was **NOTED** that:

- a) the proposed terms on which the Notes would be issued included the following:
 - i. the Private Placement would be for up to £20 million from Aviva for a term of thirty-five years and up to £20m from the BAE Pension Fund for a term of forty-five years; and

- ii. the Notes would be unsecured and the College would covenant that they would rank at all times at least *pari passu* with the College's other senior unsecured borrowings;
 - iii. the financial covenant in the NPA to be tested on an annual basis; and
 - iv. certain restrictions on providing security to third parties, which would apply for as long as any Notes remained outstanding;
- b) the actual interest rate payable on the Notes would be fixed by reference to the level of the appropriate reference Gilt at the time and date of pricing the deal;
 - c) the NPA is based on a standard template for private placements in the UK market.
- 3 After due and careful consideration of the Documents and taking into account their duties and obligations under the Charities Act 2011 and the Charter and Statutes of the College, and considering the best interests of the College, it was duly **RESOLVED** by the Governing Body that the following be and hereby are approved:
- a) the Transaction;
 - b) all powers, authorities and discretions of the Governing Body be delegated to President, Principal Bursar, Finance Bursar and Investment Officer, who will act subject to the agreement of three and disagreement of none of them, as may be necessary for the authorisation of all acts, matters or documents in connection with the Private Placement, including, but not limited to:
 - i. authority to negotiate and finalise the documents (the '**Transaction Documents**') required to give effect to the Private Placement, such documentation (to include, but not be limited to the NPA and the Investor Presentation); and
 - ii. fixing the price and terms of the Notes;
to be limited to negotiation of the Private Placement up to a maximum amount of £40 million, a maximum term of 50 years and with a fixed interest rate of no more than 3.5%;
 - c) the Principal Bursar be authorised (after confirming agreement as in (b)) on behalf of the College to execute and deliver the Transaction Documents by signing them for and on behalf of the College; and
 - d) the Principal Bursar be authorised (after confirming agreement as in (b)) to do all such things including the execution of documents, certificates and notices in such form and including such amendments as he, in his sole discretion, sees fit and to provide further confirmation to any party involved with the transaction as is necessary or desirable to give effect to the Private Placement.

PRINCIPAL BURSAR