

**BRISTOL ENERGY LIMITED (09135084)**

**Ordinary and Special Resolutions**

**of**

**Bristol Energy Limited (Company)**

Passed on 26 JULY 2018

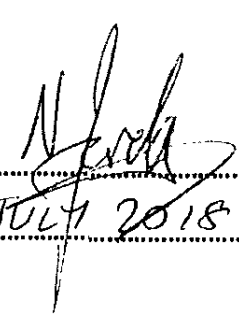
At an annual general meeting of the Company duly convened and held at Bristol City Hall on 26 July 2018 at 9.15am, the following resolutions were duly passed as an ordinary resolution and a special resolution.

**1. Ordinary resolution**

[REDACTED]

**2. Special resolution**

To adopt as the new articles of association of the Company, the articles of association set out in the document produced to the meeting, in substitution for, and to the exclusion of, the Company's existing articles of association, with effect from the conclusion of the meeting.

Signed ..... 

Date 26 JULY 2018 .....



ARTICLES OF ASSOCIATION of  
BRISTOL ENERGY LIMITED  
A PRIVATE COMPANY LIMITED BY SHARES

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PART 1  
PRELIMINARY MATTERS

**1. Defined terms**

1.1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“Associated Company” means a company (other than a subsidiary) in which the Company has an interest

“bankruptcy” *includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;*

"Board" means a meeting of the Directors of the Company in accordance with these articles;

"Business Plan" means the business plan, budget and investment strategy of the Company and including any variations, in a form to be agreed between the parties, in accordance with the articles.

“the Company” means Bristol Energy Limited with company number 09135084 whose registered office is at 100 Temple Street, Bristol, England, BS1 6AG;

“chair” has the meaning given in article 16;

“chair of the meeting” has the meaning given in article 48;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

“Director” means a Director as defined in section 250 of the Companies Act 2006 and unless an individual with a job title including the term ‘director’ meets such definition she shall not be considered to be a Director;

“Council” means Bristol City Council, the sole shareholder of the Shareholder;

‘council Director’ means any Director of the Company who is also employed as an officer or is an elected member of the Council and who is expressly selected by the Council to represent it on the Board;

“distribution recipient” has the meaning given in article 37;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“electronic means” means by telephone, e-mail, video conferencing or other similar means;

“Financial Year” means a financial accounting period of 12 months ending on the municipal financial year (31<sup>st</sup> March);

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

“Group” means in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company; and each company in a Group is a member of the Group;

“holding company” and “subsidiary” means a “holding company” and “subsidiary” as defined in section 1159 of the Companies Act 2006 (the Act). For the avoidance of doubt, the Council shall be construed as a holding company of the Shareholder.

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a document in hard copy form;

“Observer” has the meaning given in article 14.4;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a Directors’ meeting, has the meaning given in article 14;

“proxy notice” has the meaning given in article 54;

“Remuneration Policy” means the remuneration policy of the Company including such information as the Council reasonably requires;

“Reserved Matters” means the matters specified in Schedule 1 of the articles;

“Scheme of Delegations” any document setting out the nature and scope of delegations within the Company, as amended from time to time by the Council in consultation with the Board;

“shareholder” means a person who is the holder of a share;

“the Shareholder” means Bristol Holding Limited (company registration number 09485669);

“shares” means shares in the Company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2. Unless the context otherwise requires:

1.2.1. other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company; and

1.2.2. a reference to one gender shall include a reference to the other genders.

## **2. Objects**

2.1. The objects of the company are:

2.1.1. to carry on the business or businesses of buying, selling, storing, producing, developing, promoting, marketing, supplying, trading, or dealing in any manner whatsoever in all types of energy in the UK or elsewhere;

2.1.2. to advance promote and support the financial, environmental, economic and social objectives of the Council; and

- 2.2. The Company may (subject to first obtaining the written consent of the Council) add to, remove or alter the statement of the Company's objects.

### **3. Powers**

- 3.1. The Company shall have all the powers to do anything as may be considered by the Company to be conducive to the attainment of the above objects or that are incidental to any of them including but not limited to the acquisition or disposal of any property or rights or any expenditure, borrowing or lending, subject to these articles.
- 3.2. The Company shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless expressly prohibited by these articles.

### **4. Liability of members**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

### **5. Directors' general authority**

Subject to the articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

### **6. Reserve powers**

#### **A. Matters reserved to the Council**

- 6.1. The Company shall not make any decision, determination, provide any approval or pass any resolution on any such matter in connection with any Reserved Matters without first obtaining the written consent of the Council and thereafter shall act in a manner consistent with the decision of the Council.
- 6.2. The Council may delegate its authority in relation to any Reserved Matter to the Shareholder at its discretion and shall notify the relevant Group Members if it does so.

## **B. Matters reserved to the Shareholder**

- 6.3. The Shareholder may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 6.4. No such special resolution invalidates anything which the Directors have done before the passing of the resolution.
- 6.5. Notwithstanding article 6.3, the Company shall co-operate with the Council and the Shareholder and comply with any request or directions made by the Council or the Shareholder to fulfill the Company's obligations under these articles or otherwise, including but not limited to attendance at any meetings, providing any disclosure, information or assistance.
- 6.6. Notwithstanding article 6.3, the Company shall obtain the written consent of the Council or the Shareholder on any matters that the Company and the Council have agreed must be approved by the Council or the Shareholder.
- 6.7. The Council acknowledges that it has in place arrangements for the prompt determination of the consent referred to in article 6.6.

## **7. Directors may delegate**

- 7.1. Subject to the articles, and the Scheme of Delegation, the Directors may delegate any of the powers which are conferred on them under the articles:
  - 7.1.1. to such person or committee;
  - 7.1.2. by such means (including by power of attorney);
  - 7.1.3. to such an extent;
  - 7.1.4. in relation to such matters or territories; and
  - 7.1.5. on such terms and conditions,as they think fit.
- 7.2. If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 7.3. Directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **8. Alternate Directors**

- 8.1. Any Director (other than an alternate Director) may at any time appoint any other Director or any other person who is willing to act to be her alternate Director. Subject to article 8.2, any Director may at any time remove from office an alternate Director appointed by her.

- 8.2. The Council has right to appoint or remove an alternate on behalf of any council Director, without requiring the consent of such council Director. 'Appointer' shall in this context refer to the Director for whom she has been appointed alternate (notwithstanding the fact that she has been appointed by the Council).
- 8.3. An alternate Director shall (subject to giving the Company an address for the purpose of communications in electronic form at which notices may be served on her) be entitled to receive notice of all meetings of the Directors and of any committee of which her appointer is a member and (in the absence of her appointor) to attend and vote as a Director and be counted in the quorum at any such meeting and generally (in the absence of her appointor) to perform all the functions of her appointor as a Director.
- 8.4. An alternate Director may represent more than one Director.
- 8.5. An alternate Director shall:
- 8.5.1. have one vote for each Director for whom she acts as alternate (in addition, if she is a Director, to her own vote); and
  - 8.5.2. be counted in the quorum as one director.
- 8.6. If the alternate Director is a director and is appointed on behalf of a council Director, she shall only be counted in the quorum as a council Director.
- 8.7. An alternate Director shall not be entitled to receive any remuneration from the Company in respect of her appointment as an alternate Director except only such part (if any) of the remuneration otherwise payable to her appointor as her appointor may by notice in writing to the Company from time to time direct.
- 8.8. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent as if she were a Director.

## **9. Committees**

- 9.1. Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by Directors.
- 9.2. Subject to article 9.3, the Directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

- 9.3. The Directors shall make arrangements for the establishment of an audit committee and a remuneration committee, or such other mechanism as is agreed in writing by the Council for the discharge of such functions.

## **10. Policies**

- 10.1. So far as is practical and appropriate to the needs of the business, the Company shall apply, adopt and maintain in its own right and to any of its subsidiaries such policies as the Council or the Shareholder has initiated for the Group (**Group Policies**). Group Policies may relate to, but are not limited to, employment, health and safety, branding and ethics. Where it is not practical or appropriate to adopt a particular Group Policy in its entirety, the Company shall develop an alternative policy that is reasonably consistent with such Group Policy.
- 10.2. In respect of any Associated Company, the Company shall use its reasonable endeavours to secure a similar approach to Group Policies as required by this article.

## **DECISION-MAKING BY DIRECTORS**

### **11. Directors to take decisions collectively**

- 11.1. The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 12.
- 11.2. For the purposes of article 11.1, a meeting includes a meeting held by electronic means but where such meeting is held by e-mail, a decision must be taken in accordance with article 12.
- 11.3. If:
- 11.3.1. the Company only has one Director, and
  - 11.3.2. no provision of the articles requires it to have more than one Director,
- the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the articles relating to Directors' decision-making.

### **12. Unanimous decisions**

- 12.1. A decision of the Directors is taken in accordance with this article when all eligible Directors indicate to each other by any means that they share a common view on a matter.

- 12.2. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- 12.3. References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 12.4. Subject to article 12.5, a decision may not be taken in accordance with this article if the eligible Directors would not have formed a quorum at a Director's meeting.
- 12.5. A decision may be taken in accordance with this article if the only reason the eligible Directors would not have formed a quorum at a Director's meeting is because a Council director was not considered an eligible Director pursuant to article 18.

### **13. Calling a Directors' meeting**

- 13.1. Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.
- 13.2. Notice of any Directors' meeting must indicate—
  - 13.2.1. its proposed date and time;
  - 13.2.2. where it is to take place; and
  - 13.2.3. if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 13.3. Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- 13.4. Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

### **14. Participation in Directors' meetings**

- 14.1. Subject to the articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when—
  - 14.1.1. the meeting has been called and takes place in accordance with the articles, and

- 14.1.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting (including by electronic means).
- 14.2. In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 14.3. If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is or over e-mail.
- 14.4. Council has the right to appoint a representative to attend a Directors' meeting as an observer (the **Observer**). Subject to article 15.3, the Observer shall not be counted as participating in the meeting for quorum or voting purposes.

## **15. Quorum for Directors' meetings**

- 15.1. At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 15.2. The quorum for Directors' meetings must never be less than two, and which number must, subject to clause 15.3, include a council Director.
- 15.3. If no council Director is present at a meeting where at least two other directors are present, the meeting shall not be considered inquorate provided that the Observer is present at the meeting.
- 15.4. If a Directors' meeting is not quorate, the Directors must not take any decision other than a decision—
  - 15.4.1. to appoint further Directors, in accordance with article 21.4; or
  - 15.4.2. to request that the Council appoints further Directors.

## **16. Chairing of Directors' meetings**

- 16.1. The Council shall appoint the chair of the Directors' meetings.
- 16.2. The Directors may appoint a Director to chair a meeting if:
  - 16.2.1. the Council fails to appoint a chair; or
  - 16.2.2. the chair fails to attend a meeting within 10 minutes of the appointed time; or
  - 16.2.3. the chair has notified the Company she will not be able to attend, and the Council has not appointed an alternative chair; or
  - 16.2.4. the Council has otherwise consented in writing.
- 16.3. The person so appointed for the time being is known as the chair.
- 16.4. The Council may terminate the chair's appointment at any time.

## **17. Casting vote and the Right to Veto**

- 17.1. Subject to article 17.3, if the number of votes for and against a proposal are equal, the chair has a casting vote.
- 17.2. The chair does not have a casting vote if the chair is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 17.3. The right is reserved to the council Directors to veto any Directors' decision agreed at a Directors' meeting or by a written resolution or by such other means.

## **18. Conflicts of interest**

- 18.1. If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 18.2. But if paragraph (3) applies, a Director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 18.3. This paragraph applies when—
  - 18.3.1. the Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a Director from being counted as participating in the decision-making process;
  - 18.3.2. the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - 18.3.3. the Director's conflict of interest arises from a permitted cause.
- 18.4. For the purposes of this article, the following are permitted causes—
  - 18.4.1. a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
  - 18.4.2. subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
  - 18.4.3. arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.
  - 18.4.4. a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with a relevant company.

18.4.5. In this article 18, a “relevant company” means:

- a) the Company; the Shareholder, the Council and all subsidiaries of the Shareholder; or
- b) any other body corporate promoted by the Company or in which the Company or Shareholder or Council is otherwise interested; and
- c) *which for the avoidance of doubt includes an Associated Company.*

18.5. For the purposes of this article, references to proposed decisions and decision-making processes include any Directors’ meeting or part of a Directors’ meeting.

18.6. Subject to article 18.7, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair whose ruling in relation to any Director other than the chair is to be final and conclusive.

18.7. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the Directors at that meeting having regard to the provisions of article 18.3, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **19. Records of decisions to be kept**

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

## **20. Directors’ discretion to make further rules**

Subject to the articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

# **APPOINTMENT OF DIRECTORS**

## **21. Methods of appointing Directors**

21.1. Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director by the Council submitting a notice of appointment in accordance with these articles.

- 21.2. The notice of appointment shall give such particulars of that person which would if she were so appointed or reappointed be required to enable their registration at Companies House.
- 21.3. The appointment of Directors takes effect on the date on which the notice of appointment is received by the Company or, if a later date is given in the notice, on that date.
- 21.4. The Directors, the Shareholder or the Council may appoint a person temporarily either to make up the number of Directors to be sufficiently quorate for a Directors' meeting or to fill a vacancy that has unexpectedly arisen where this is reasonably required for the proper running and management of the Company. Such Directors shall hold office only until a notice of appointment has been received from the Council or such other determination has been made by the Council.
- 21.5. No other Directors shall be appointed other than as permitted by the articles.
- 21.6. Subject to the articles, the Directors may enter into an agreement or arrangement with any Director for her employment by the Company or for the provision by her of any services outside the scope of the ordinary duties of a Director.

## **22. Termination of Director's appointment**

- 22.1. A person ceases to be a Director as soon as—
- 22.1.1. that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
  - 22.1.2. a bankruptcy order is made against that person;
  - 22.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 22.1.4. a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
  - 22.1.5. notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with the terms of the notification;
  - 22.1.6. she in the circumstances of being an elected member or officer of
  - 22.1.7. the Council appointed as a Director ceases to be an elected member
  - 22.1.8. or officer of the Council who appointed her unless notified
  - 22.1.9. otherwise by the Council; or

- 22.1.10. notification is received by the Company from the Council that the Director's appointment is to be terminated, and that such termination takes effect in accordance with the terms of the notification.

### **23. Directors' remuneration**

- 23.1. Directors may undertake any services for the Company that the Directors decide.
- 23.2. Directors shall not be entitled to receive any remuneration and or any other financial benefits in whatever form, without the prior written consent of the Council:
- 23.2.1. for their services to the Company as Directors, and
- 23.2.2. for any other service which they undertake for the Company.
- 23.3. Any proposal for a Director's remuneration shall be made in accordance with the Remuneration Policy.
- 23.4. Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 23.5. Directors are accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

### **24. Directors' expenses**

- 24.1. The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at—
- 24.1.1. meetings of Directors or committees of Directors,
- 24.1.2. general meetings, or
- 24.1.3. separate meetings of the holders of any class of shares or of debentures of the Company, or
- 24.1.4. other meetings, events or conferences or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company,
- provided that such payment is approved in accordance with the Scheme of Delegations.

PART 3  
SHARES AND DISTRIBUTIONS SHARES

**25. All shares to be fully paid up**

- 25.1. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- 25.2. This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

**26. Powers to issue different classes of share**

- 26.1. Subject to the Reserved Matters, but without prejudice to the rights attached to any existing share:
  - 26.1.1. the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
  - 26.1.2. the Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.
- 26.2. Subject to the Reserved Matters, where the Company resolves to issue Redeemable Preference Shares then they shall carry the rights set out in Schedule 2 unless permitted or authorised otherwise by the Shareholder or the Council.

**27. Purchase of own shares**

Subject to the Companies Acts but without prejudice to any other provisions of these articles, the Company may purchase its own shares including (without limitation) with cash up to any amount in a financial year not exceeding the thresholds set out in the Companies Acts.

**28. Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

**29. Share certificates**

- 29.1. The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 29.2. Every certificate must specify—

- 29.2.1. in respect of how many shares, and of what class, it is issued;
  - 29.2.2. the nominal value of those shares;
  - 29.2.3. that the shares are fully paid; and
  - 29.2.4. any distinguishing numbers assigned to them.
- 29.3. No certificate may be issued in respect of shares of more than one class.
- 29.4. If more than one person holds a share, only one certificate may be issued in respect of it.
- 29.5. Certificates must—
- 29.5.1. have affixed to them the Company's common seal, or
  - 29.5.2. be otherwise executed in accordance with the Companies Acts.

### **30. Replacement share certificates**

- 30.1. If a certificate issued in respect of a shareholder's shares is—
- 30.1.1. damaged or defaced, or
  - 30.1.2. said to be lost, stolen or destroyed,
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 30.2. A shareholder exercising the right to be issued with such a replacement certificate—
- 30.2.1. may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 30.2.2. must return the certificate which is to be replaced to the Company; and
  - 30.2.3. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

### **31. Share transfers**

- 31.1. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor.
- 31.2. No fee may be charged by the Company for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 31.3. The Company may retain any instrument of transfer which is registered.
- 31.4. The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

- 31.5. The Directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **32. Transmission of shares**

- 32.1. If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 32.2. A transmittee who produces such evidence of entitlement to shares as the Directors may properly require—
- 32.2.1. may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- 32.2.2. subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 32.3. But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

### **33. Exercise of transmittees' rights**

- 33.1. Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- 33.2. If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 33.3. Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **34. Transmittees bound by prior notices**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## DIVIDENDS AND OTHER DISTRIBUTIONS

### **35. Procedure for declaring dividends**

- 35.1. Subject to the Reserved Matters, the Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 35.2. A dividend must not be declared unless the Directors have made a recommendation as to its amount subject to article 36. Such a dividend must not exceed the amount recommended by the Directors.
- 35.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 35.4. Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 35.5. If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 35.6. The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 35.7. If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **36. Dividend Policy**

- 36.1. The Company will produce a dividend policy to be approved by the Council and the Directors will only recommend a dividend in accordance with such dividend policy.
- 36.2. The Company shall obtain the Council's approval to the dividend policy for any of its subsidiaries (if any).

### **37. Payment of dividends and other distributions**

- 37.1. Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
  - 37.1.1. transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;

- 37.1.2. sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;
- 37.1.3. sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or
- 37.1.4. any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide.

37.2. In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- 37.2.1. the holder of the share; or
- 37.2.2. if the share has two or more joint holders, whichever of them is named first in the register of members; or
- 37.2.3. if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

### **38. No interest on distributions**

- 38.1. The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—
  - 38.1.1. the terms on which the share was issued, or
  - 38.1.2. the provisions of another agreement between the holder of that share and the Company.

### **39. Unclaimed distributions**

- 39.1. All dividends or other sums which are—
  - 39.1.1. payable in respect of shares, and
  - 39.1.2. unclaimed after having been declared or become payable,
  - 39.1.3. may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.
- 39.2. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 39.3. If—
  - 39.3.1. twelve years have passed from the date on which a dividend or other sum became due for payment, and
  - 39.3.2. the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

#### **40. Non-cash distributions**

- 40.1. Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the Directors and subject to the Reserved Matters, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 40.2. For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—
  - 40.2.1. fixing the value of any assets;
  - 40.2.2. paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - 40.2.3. vesting any assets in trustees.

#### **41. Waiver of distributions**

- 41.1. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if—
  - 41.1.1. the share has more than one holder, or
  - 41.1.2. more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

### **CAPITALISATION OF PROFITS**

#### **42. Authority to capitalise and appropriation of capitalised sums**

- 42.1. Subject to the articles and the Reserved Matters, the Directors may, if they are so authorised by an ordinary resolution—
  - 42.1.1. decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

- 42.1.2. appropriate any sum which they so decide to capitalise (a “capitalised sum”) to the persons who would have been entitled to it if it were distributed by way of dividend (the “persons entitled”) and in the same proportions.
- 42.2. Capitalised sums must be applied—
  - 42.2.1. on behalf of the persons entitled, and
  - 42.2.2. in the same proportions as a dividend would have been distributed to them.
- 42.3. Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 42.4. A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 42.5. Subject to the articles the Directors may—
  - 42.5.1. apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
  - 42.5.2. make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
  - 42.5.3. authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## PART 4

### DECISION-MAKING BY SHAREHOLDERS

### ORGANISATION OF GENERAL MEETINGS

#### **43. Sole member decisions**

For the avoidance of doubt, and notwithstanding any provision of these articles, if the Company has a sole member, that member may take decisions outside of general meetings provided that such decisions are taken in accordance with section 357 of the Companies Act 2006.

#### **44. Members**

Any member that is a corporate or public body shall appoint (and may remove and replace) a duly authorised representative which shall be evidenced in writing signed by one of its officers. The person so authorised shall act at any meeting of the Company and shall be entitled to exercise the same powers on behalf of the member which she represents as the member could exercise if it were an individual member of the Company and such member shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

#### **45. Notice of general meetings**

- 45.1. General meetings shall be called by at least fourteen clear days' notice to shareholders and the Council but a general meeting may be called by shorter notice if it is agreed by all the members entitled to attend and vote.
- 45.2. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and in the case of an annual general meeting to specify and include the items prescribed by these articles or as otherwise required by the Shareholder.
- 45.3. Subject to the provisions of the articles and to any restrictions imposed on shares the notice shall be given to all the members and to the directors and auditors.
- 45.4. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceeds at that meeting.

#### **46. Attendance and speaking at general meetings**

- 46.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 46.2. A person is able to exercise the right to vote at a general meeting when—
  - 46.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 46.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 46.3. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

- 46.4. In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 46.5. Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **47. Quorum for general meetings**

- 47.1. One person entitled to vote upon the business to be transacted being a duly authorised representative or proxy for the Shareholder shall constitute a quorum.
- 47.2. No business other than the appointment of the chair of the meeting is to be transacted at a general meeting unless a quorum is present.

#### **48. Chairing general meetings**

- 48.1. A chair of the meeting shall be appointed by the Council and the chair shall chair general meetings if present and willing to do so.
- 48.2. The person chairing a meeting in accordance with the article is referred to as "the chair of the meeting".

#### **49. Attendance and speaking by Directors and non-shareholders**

Directors and representatives of the Council may attend and speak at general meetings, whether or not they are shareholders.

#### **50. Adjournment**

- 50.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chair of the meeting must adjourn it.
- 50.2. The chair of the meeting may adjourn a general meeting at which a quorum is present if—
- 50.2.1. the meeting consents to an adjournment, or
- 50.2.2. it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 50.3. The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

- 50.4. When adjourning a general meeting, the chair of the meeting must—
- 50.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
  - 50.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 50.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- 50.5.1. to the same persons to whom notice of the Company's general meetings is required to be given, and
  - 50.5.2. containing the same information which such notice is required to contain.
- 50.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### **51. Voting: general**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

### **52. Errors and disputes**

- 52.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 52.2. Any such objection must be referred to the chair of the meeting, whose decision is final.

### **53. Poll votes**

- 53.1. A poll on a resolution may be demanded—
- 53.1.1. in advance of the general meeting where it is to be put to the vote, or
  - 53.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

53.2. A poll may be demanded by—

53.2.1. the chair of the meeting;

53.2.2. the Directors;

53.2.3. two or more persons having the right to vote on the resolution;  
or

53.2.4. a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

53.3. A demand for a poll may be withdrawn if—

53.3.1. the poll has not yet been taken, and

53.3.2. the chair of the meeting consents to the withdrawal.

53.4. Polls must be taken immediately and in such manner as the chair of the meeting directs.

#### **54. Content of proxy notices**

54.1. Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

54.1.1. states the name and address of the shareholder appointing the proxy;

54.1.2. identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;

54.1.3. is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and

54.1.4. is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

54.2. The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

54.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

54.4. Unless a proxy notice indicates otherwise, it must be treated as—

54.4.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

- 54.4.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

## **55. Delivery of proxy notices**

- 55.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 55.2. An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 55.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 55.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **56. Amendments to resolutions**

- 56.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- 56.1.1. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine), and
- 56.1.2. the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.
- 56.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- 56.2.1. the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 56.2.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 56.3. If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

PART 5  
ADMINISTRATIVE ARRANGEMENTS

**57. Company Secretary**

- 57.1. The Council has sole right to appoint and remove a Company Secretary of the Company upon such terms and conditions as it sees fit by the Council serving upon the Company notice of such appointment or the removal thereof in the form of a letter.
- 57.2. The letter of appointment shall give such particulars of that person which would if she were so appointed or reappointed be required to enable their registration at Companies House.
- 57.3. The appointment or removal of the Company Secretary takes effect on the date on which the letter of appointment is received by the Company or, if a later date is given in the notice, on that date.

**58. Means of communication to be used**

- 58.1. Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 58.2. Subject to the articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 58.3. A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

**59. Company seals**

- 59.1. Any common seal may only be used by the authority of the Directors.
- 59.2. The Directors may decide by what means and in what form any common seal is to be used.
- 59.3. Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 59.4. For the purposes of this article, an authorised person is—
  - 59.4.1. any Director of the Company;

59.4.2, the company secretary (if any); or

59.4.3, any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

59.5. The Company, the Shareholder and the Council shall at their own cost and expense, on being required to do so by the other now or at any time in the future, do or procure the doing of all such acts and things and/or execute or produce the execution of all such further deeds and documents (in a form satisfactory to the other) which the other may reasonably consider necessary for giving effect to these articles.

## **60. No right to inspect accounts and other records**

Except as provided by law or authorised by the Directors, the Council or by an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents.

## **61. Provision for employees on cessation of business**

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

## **62. Whistleblowing**

The Company shall in the interests of probity adopt a suitably adapted whistleblowing policy as soon as reasonably practicable which can operate and be applied to the individual corporate bodies comprising the group of companies and other Associated Companies as if they were employees in the same organisation where the Council may be viewed as the ultimate holding company.

# **DIRECTORS' INDEMNITY AND INSURANCE**

## **63. Indemnity**

63.1. Subject to paragraph (2), a relevant Director of the Company or other officer or an associated company may be indemnified out of the Company's assets against—

63.1.1. any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company holding company subsidiary or an associated company,

63.1.2. any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006).

- 63.1.3. any other liability incurred by that Director as an officer of the Company or an associated company acting on behalf or within the scope of the Company.
- 63.2. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 63.3. In this article—
  - 63.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
  - 63.3.2. a “relevant Director” means any Director or former Director of the Company or an associated company
  - 63.3.3. “other officer” means a company secretary (if any), any other employee, individual acting on behalf of the company or agent of the Company.

#### **64. Insurance**

- 64.1. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director or other officer or other person connected and acting within the authority of the Company in respect of any relevant loss.
- 64.2. In this article—
  - 64.2.1. a “relevant Director” means any Director or former Director of the Company or an associated company,
  - 64.2.2. a “relevant loss” means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company, and
  - 64.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

#### **65. Public Body Considerations**

The Company shall observe all the legal requirements imposed on it by virtue of any of its members or ultimate controlling body being a local authority or other public body. In particular without limiting the generality of the foregoing, the Company shall observe all legal requirements imposed on it by virtue of it being a controlled company as defined by Section 68 of the Local Government and Housing Act 1989 and by virtue of the provisions of the Local Authorities (Companies) Order 1995 and any other regulations or orders made from time to time or the Local Government Act 2003 in relation to a Local Authority’s interest in companies.

## **Schedule 1**

The following matters are Reserved Matters in respect of the Company:

1. Varying in any respect the Articles (including these Reserved Matters).
2. Varying in any way the share structure, including the number of and rights attached to any shares.
3. Participating in any scheme of arrangement or petition or passing any resolution for the winding up or presenting any petition for the administration (unless it has become insolvent) of the Company.
4. Appointing and removing any Directors (including non-executive Directors) on the Board.
5. Approving the appointment of the managing director and finance director (or equivalent positions if different titles are adopted) as employees of the Company.
6. Appointing the Chair of the Board and the Company Secretary.
7. Agreeing the Remuneration Policy.
8. Approving the Business Plan (including material or significant revisions thereof)
9. Any expenditure that is reasonably likely to result in a Group Member requesting additional finance or debt funding from the Shareholder.
10. Forming any subsidiary or acquiring shares or any interest in any other company or participating in any partnership or joint venture (incorporated or not).
11. Amalgamating or merging with any other company or business undertaking.
12. Instituting, defending or settling of material legal proceedings (or a similar process) outside of ordinary business.
13. Approving the dividend policy (and any changes thereto).
14. Entering into any arrangement, contract or transaction which may impact on the Shareholder's statutory functions, commercial interests or reputation.
15. Approving the appointment of Auditors.
16. Giving any guarantee, letter of credit, letter of comfort or any security whatsoever or creating any encumbrance over any of the assets of the company. For the avoidance of doubt, this provision is not intended to apply to routine contractual indemnities.
17. Approving the terms of any letter of credit, guarantee or letter of comfort received other than in the ordinary course of business.
18. Selling, leasing, transferring, charging, or otherwise disposing of any asset comprising intellectual property, real estate, vehicles, plant and machinery or similar equipment otherwise than in accordance with the Business Plan.

19. Lending or advancing any monies to any person, firm, company or employees of the company.
20. Entering into or varying the terms of any credit arrangements, excluding arrangements with customers in the ordinary course of business.
21. Settling of any insurance claims which exceed £100,000 or of any value where there are suspicious circumstances or where the advice of the Group Member's insurer is not proposed to be followed.
22. Approving any asset write down or write off of more than £250,000 (in respect of a single asset or aggregate of multiple assets in any single Financial Year), excluding where such write down or write off relates to customer debt provided that the relevant Group Member has evidence that all reasonable steps have been taken to recover such customer debt and the write down or write off is in accordance with a policy devised by the audit committee and approved by the Board.
23. Granting any rights (by license or otherwise) in or over any intellectual property owned or used by the Group Member, other than where necessary in the ordinary course of business.

## **Schedule 2**

1. The Redeemable Preference Shares shall carry no votes and a holder of a Redeemable Preference Share shall not, by virtue of its holding of that Redeemable Preference Share, have any right to receive notice of, attend, speak or vote at any general meeting of the company.
2. In the event of any failure of the company to redeem the Redeemable Preference Shares by the date specified on their issue and for so long as such failure continues every holder of Redeemable Preference Shares shall be entitled to receive notice of and to attend all general meetings of the company and thereat to cast one vote for each Redeemable Preference Share of which she is the holder.
3. The Redeemable Preference Shares shall rank for dividend in priority to the ordinary shares.
4. On a winding-up or a reduction of capital involving a repayment (except on a redemption in accordance with the terms of issue of any share or on a capitalisation issue), each Redeemable Preference Share shall confer on the holder of that Redeemable Preference Share the right to repayment of the nominal amount paid up on the Redeemable Preference Share before repayment of the capital paid up on other classes of share capital.
5. Subject to the provisions of the Companies Act 2006, a Redeemable Preference Share shall be redeemed by no later than:
  - a. 100 years from its date of issue; or
  - b. such earlier time as the Shareholder specifies at the time of authorising the issuance of said shares; or
  - c. at any time prior to the time specified in (a) or (b) above on the written agreement between the Company and the Shareholder.
6. The holder of a Redeemable Preference Share which is subject to redemption shall surrender to the Company on or before the date for redemption the share certificate for such Redeemable Preference Share in order that it may be cancelled and upon cancellation the company shall pay to the holder the nominal value of such Redeemable Preference Share.
7. Redeemable Preference Shares redeemed pursuant to paragraph 6 shall be cancelled.