

Shareholder Agreement

Schedule 1

Shareholder Consent Matters – Part A (Corporate Matters)

The Company shall not, unless it has Shareholder's consent:

- 1 vary in any respect its articles of association or the rights attaching to any of its shares; or
- 2 permit the registration (upon subscription or transfer) of any person as a member of the Company other than the Shareholder in accordance with the terms of this Agreement or agree any rights or restrictions attaching to any shares or memberships allocated to such new shareholders or members as applicable; or
- 3 increase or reduce the amount of its issued share capital except as provided in this Agreement, grant any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeem or purchase any of its own shares or effect any other reorganisation of its share capital; or
- 4 issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital; or
- 5 make any borrowing [other than from its bankers in the ordinary and usual course of business; or
- 6 apply for the listing or trading of any shares or debt securities on any stock exchange or market; or
- 7 pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent); or
- 8 engage in any business other than as contemplated by the Business Plan or defray any monies other than in good faith for the purposes of or in connection with the carrying on of such business; or
- 9 form any Subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not); or
- 10 close down any business operation, or dispose of or dilute its interest in any Subsidiary for the time being, or dispose of any material asset unless in each case such closure or disposal is expressly contemplated by the Business Plan; or
- 11 agree to enter or enter into any acquisition or disposal of any material assets by the Company the total of which exceeds £0.5m except unless such acquisition or disposal is expressly contemplated by the Business Plan; or
- 12 sell or dispose of any part of the business of the Company, unless such sale or disposal is expressly contemplated in the Business Plan; or
- 13 agree or approve any other material services the total value of which exceeds £50,000 per annum to be provided by the Company to a third party unless such activity is expressly contemplated by the Business Plan; or
- 14 amalgamate or merge with any other company or business undertaking; or
- 15 alter its name or registered office; or

- 16 enter into any transaction or arrangement of any nature whatsoever (including, for the avoidance of doubt, a service contract) with any of its directors or any person who is connected (within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010) to any of its directors whether or not any other person shall be party to such transaction or arrangement; or
- 17 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms; or
- 18 appoint any agent (not being a sub-contractor) to conduct the whole or any part of the business of the Company, other than the appointment of an agent to conduct an area of the business of the Company; or
- 19 create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any material asset, shares, income or its business in whole or in part or any of its shares other than in conjunction with the Shareholder;
- 20 adopt or amend its annual Business Plan; or
- 21 change its financial year end or its auditors : or
- 22 make or permit to be made any material change in the accounting policies and principles adopted by the Company in the preparation of its audited accounts except as may be required to ensure compliance with relevant accounting standards under the Companies Act 2006 or any other generally accepted accounting principles in the United Kingdom; or
- 23 make or agree to make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity (other than in the normal course of trading); or
- 24 give any guarantee, suretyship or indemnity to secure the liability of any person or assume the obligations of any person outside the scope of its Business Plan; or
- 25 factor or assign any of its book debts; or
- 26 adopt or amend its Rent Policy; or
- 27 appoint, remove or dismiss any director or company secretary; or
- 28 adopt or amend its Remuneration Policy; or
- 29 institute, settle or compromise any material legal proceedings (other than debt recovery proceedings in the ordinary course of business or in accordance with the Debt Recovery Policy or where the value of such claim is reasonably believed by the Company to be less than £50,000) instituted or threatened against it or submit to arbitration or alternative dispute resolution any dispute if the effect of this is that its solvency may be imperilled, or it may require additional funding in order to undertake its Business Plan; or
- 30 undertake any business or action which is inconsistent with the Business Plan then in force or omitting to undertake any action which is required by that Business Plan except with the prior written consent of the Council; or
- 31 approve any matter that is reasonably likely to have an adverse effect on the reputation of the Council; or

- 32 change the nature of the business or commence any new business which is not ancillary or incidental to the business of the Company, save as expressly contemplated in the business plan; or
- 33 make any agreement with any revenue or tax authorities or make any claim, disclaimer, election or consent for tax purposes in relation to the Company or its business if the effect of this is that its solvency may be imperilled, or it may require additional funding in order to undertake its Business Plan; or
- 34 give notice of termination of any arrangements, contracts or transactions the total value of which exceeds £500,000 per annum or materially varying any such arrangements, contracts or transactions where such termination is likely to have an adverse impact on the financial status of the Company; or enter into any contract with a value in excess of £500,000; or
- 35 grant rights (by licence or otherwise) in or over any intellectual property owned or used by the Company.