

Date: [.] 2024

- (1) Canterbury City Council
- (2) Dover District Council
- (3) Thanet District Council
- (4) [PartnershipOne] Limited

Joint Venture Shareholders' Agreement

relating to

[PartnershipOne] Limited

BLAKE 
MORGAN

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THIS AGREEMENT IS DATED [·] 2024

PARTIES

- (1) **Dover District Council** of Council Offices, White Cliffs Business Park, Dover CT16 3PJ (**Dover**)
- (2) **Canterbury City Council** of 14 Rose Lane, Canterbury CT1 2UR (**Canterbury**)
- (3) **Thanet District Council** of Cecil Street, Margate CT9 1XZ (**Thanet**)
- (4) **[PartnershipOne] Limited** a company incorporated in England and Wales with company number [·] whose registered office is at [·] (**Company**)

BACKGROUND

- (A) The Company is a newly formed company incorporated in England and Wales with company number [·] whose registered office is at [·] and which has [·] ordinary shares of [£1.00] each in issue, [·] held by Dover, [·] held by Canterbury, and [·] held by Thanet.
- (B) The Company shall carry on business in accordance with the terms and conditions of this agreement.
- (C) The Councils shall exercise their rights in relation to the Company in accordance with the terms and conditions of this agreement.

AGREED TERMS

1 INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this agreement.

Articles	the articles of association of the Company in agreed form to be adopted on or prior to Completion as amended or superseded from time to time.
Board	the board of directors of the Company as constituted from time to time.
Business	has the meaning given in 2 .
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
Business Plan	has the meaning given in 7 .
CA 2006	the Companies Act 2006.
Completion	the execution and delivery of this agreement in accordance with its terms by each of the parties.

Confidential Information	has the meaning given in 14.
Councils	together, Canterbury, Dover and Thanet, and Council shall mean each of them.
Deed of Adherence	a deed of adherence to this agreement in a form approved by the Board.
Electronic form	has the meaning given in section 1168 of the CA 2006.
Encumbrance	any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement.
Financial Year	each accounting reference period of the Company determined from time to time in accordance with Chapter 3 of Part 15 of the CA 2006.
holding company	has the meaning given in 1.11.
Joint Committee	means the joint committee established for the purposes of discharging functions pursuant to section 101(5) of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and The Local Authorities Act (Arrangements for the Discharge of Functions) (England) Regulations 2012, and made up of two elected members from each of the Councils.
Majority Consent	the prior consent in writing of a simple majority of the Councils.
Reserved Matters	the matters listed in Schedule 1.
Revenue and Benefits Services	has the meaning given in the Three Way Collaboration Agreement between (1) Dover (2) Canterbury, and (3) Thanet dated 4 May 2011, as amended and varied pursuant to The East Kent Services Collaboration Agreement Variation Agreement dated 1 September 2021 ¹ .
Shares	the ordinary shares of £[1.00] each in the capital of the Company from time to time.
subsidiary	has the meaning given in 1.11.
Unanimous Consent	the prior consent in writing of all of the Councils.

¹ **BM: to be confirmed by the Councils that this remains the relevant agreement.**

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 References to clauses and Schedules are to the clauses of and Schedules to this agreement and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.4 The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.
- 1.5 A reference to **this agreement** or to any **other agreement or document** is a reference to this agreement or such other agreement or document, in each case as varied from time to time.
- 1.6 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.9 This agreement shall be binding on and ensure to the benefit of, the parties to this agreement and their respective successors and permitted assigns, and references to a party shall include that party's successors and permitted assigns.
- 1.10 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.11 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006.
- 1.12 Unless expressly provided otherwise in this agreement, a reference to **writing** or **written** includes email.
- 1.13 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.14 References to a document in agreed form are to that document in the form agreed by the parties and initialled by them or on their behalf for identification.
- 1.15 Unless expressly provided otherwise in this agreement, a reference to legislation or a legislative provision:
- 1.15.1 is a reference to it as it is in force as at the date of agreement; and
- 1.15.2 shall include all subordinate legislation made as at the date of this agreement.
- 1.16 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

2 BUSINESS OF THE COMPANY

- 2.1 The business of the Company is the provision of Revenue and Benefits Services and frontline customer services (**Business**).
- 2.2 Each Council shall use its reasonable endeavours to promote and develop the Business to the best advantage of the Company.

3 COMPLETION

- 3.1 Completion shall take place at such time and place as shall be agreed by the parties in writing.
- 3.2 [At Completion the parties shall:
- 3.2.1 adopt the Business Plan for the Financial Year in which the Company is formed in agreed form; and
 - 3.2.2 procure that the following agreements are executed in agreed form:
 - (a) [the agreement for the provision of financial assessment, payment and debt recovery services between (1) Canterbury (2) Dover (3) Thanet, and (4) the Company]; and
 - (b) [·.]

4 WARRANTY

- 4.1 Each party warrants and represents to the other that, at the date of this agreement, the Company has not carried on any business and has no assets or liabilities, has no employees and is not a party to any contracts.
- 4.2 Each party warrants and represents to the other party that:
- 4.2.1 it is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation;
 - 4.2.2 it has full power and authority and has obtained all necessary authorities and consents to enter into and perform its obligations under this agreement and such other agreements and arrangements referred to in this agreement; and
 - 4.2.3 the signing of this agreement and the performance of its obligations under this agreement and the other agreements and arrangements referred to in this agreement will not result in a breach of any other agreement or arrangement to which it is a party, nor give rise to any right of termination of any other agreement or arrangement to which it is a party.

5 MATTERS REQUIRING CONSENT OF THE COUNCILS

- 5.1 The Company shall not, without:

- 5.1.1 Unanimous Consent, carry out any of the actions set out in Part 2 of Schedule 1 (Reserved Matters); and
 - 5.1.2 Majority Consent, carry out any of the actions set out in Part 3 of Schedule 1 (Reserved Matters).
- 5.2 Each Council shall use its reasonable endeavours to procure (so far as is lawfully possible in the exercise of its rights and powers as a shareholder of the Company) that the Company shall not take any of the actions set out in:
- 5.2.1 Part 1 or Part 2 of Schedule 1 (Reserved Matters) without Unanimous Consent; and
 - 5.2.2 Part 3 of Schedule 1 (Reserved Matters) without Majority Consent.

6 **JOINT COMMITTEE – NON-BINDING RECOMMENDATION**

- 6.1 If the Company proposes to undertake any Reserved Matter, the Company shall as soon as reasonably practicable notify the Joint Committee of the proposed action and shall provide to the Joint Committee such information and documentation in relation to the proposed action as the directors deem appropriate.
- 6.2 The Joint Committee shall as soon as reasonably practicable and in any event within [10] Business Days of receipt of a notification made pursuant to clause 6.1 above provide to each of the Councils its non-binding recommendation as to whether the relevant Reserved Matter should or should not be approved.
- 6.3 A recommendation of the Joint Committee made pursuant to clause 6.2 above shall in no way fetter the discretion of each Council to make its own determination in respect of a Reserved Matter and each Council shall be entitled to make a determination in respect of any Reserved Matter at such time as it deems fit and shall not be obliged to consider a recommendation of the Joint Committee prior to making a determination.

7 **BUSINESS PLAN**

- 7.1 The Business Plan is an annual business plan for the Company and it shall include all such matters as the Councils shall (acting reasonably) specify in writing to the Company.
- 7.2 The Business Plan for each Financial Year shall be:
- 7.2.1 prepared by the Board at least 90 days before the end of the preceding Financial Year; and
 - 7.2.2 adopted and approved by the Councils by agreement in writing as soon as possible after it has been prepared.

8 ACCOUNTING AND OTHER INFORMATION²³⁴

- 8.1 The Company shall at all times maintain accurate and complete accounting and other financial records including all corporation tax computations and related documents and correspondence with HM Revenue & Customs in accordance with the requirements of all applicable laws and generally accepted accounting principles applicable in the United Kingdom.
- 8.2 Each Council and its authorised representatives shall be allowed access at all reasonable times to examine the books and records of the Company.
- 8.3 The Company shall provide each Council with the financial and other information necessary to keep the Councils informed about how effectively the Business is performing and in particular shall provide each party with:
- 8.3.1 a copy of each year's Business Plan for approval in accordance with **7.2**
 - 8.3.2 a copy of the [audited] accounts of the Company prepared in accordance with the laws applicable in and the accounting standards, principles and practices generally accepted in the United Kingdom, within [9] months of the end of the year to which the [audited] accounts relate;
 - 8.3.3 monthly management accounts of the Company to be supplied within [7] Business Days of the end of the month to which they relate, which shall include a profit and loss account, a cashflow statement and [forecast reports against budget lines for the full year]; and
 - 8.3.4 such information and documentation as it may require in relation to the preparation of its group accounts and in relation to any audit.
- 8.4 The Company shall, as soon as possible, comply with any additional request made by a Council, to provide any documents, information and correspondence necessary (at the cost of the party making the request) to enable the relevant party to comply with filing, elections, returns or any other requirements of HM Revenue & Customs or of any other revenue or tax authority.

9 TRANSFER OF SHARES

- 9.1 No party shall create any Encumbrance over, transfer, or otherwise dispose of or give any person any rights in or over any share or interest in any share in the Company unless it is permitted or required under this agreement or the Articles and carried out in accordance with the terms of this agreement or the Articles (as the case may be).
- 9.2 Except as expressly provided in the Articles or this agreement, the parties shall procure that no transfer of shares shall be registered by the Board unless the transferee of such shares has executed and delivered a Deed of Adherence.

² **BM: to be confirmed whether a provision requiring mutual co-operation in relation to responses to FOIA requests is required**

³ **BM: to be confirmed whether the Company should be obliged to comply with certain procurement policies**

⁴ **BM: inclusion of general prohibition of appointment of Councillors (as directors or employees) to be considered**

10 ISSUE OF FURTHER SHARES

The parties shall procure that the Company shall not issue any shares or other equity securities (within the meaning of section 560(1) of the CA 2006) to any person, unless that person is a party to this agreement or has executed and delivered a Deed of Adherence.

11 EFFECT OF CEASING TO HOLD SHARES

A party shall cease to be a party to this agreement for the purpose of receiving benefits and enforcing their rights from the date that they cease to hold (or beneficially own) any Shares in the capital of the Company (but without prejudice to any benefits and rights enjoyed prior to such cessation).

12 TERMINATION AND LIQUIDATION

12.1 Subject to 12.2, this agreement shall terminate:

12.1.1 when, as a result of transfers of Shares in accordance with this agreement or the Articles, only one person remains as legal and beneficial holder of the Shares; or

12.1.2 when a resolution is passed by shareholders or creditors, or an order is made by a court or other competent body or person instituting a process that shall lead to the Company being wound up and its assets being distributed among the Company's creditors, shareholders or other contributors.

12.2 On termination of this agreement, the following clauses shall continue in force:

12.2.1 1(interpretation);

12.2.2 this clause;

12.2.3 14 (confidentiality);

12.2.4 17 (assignment and other dealings);

12.2.5 18 (entire agreement);

12.2.6 19 (variation and waiver);

12.2.7 20 (costs);

12.2.8 21 (no partnership or agency);

12.2.9 22 (notices);

12.2.10 23 (severance); and

12.2.11 27 (governing law and jurisdiction).

12.3 Termination of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination.

12.4 Following an event referred to in 12.1.2 the Company is to be wound up and its assets distributed, the Councils shall agree a suitable basis for dealing with the interests and assets of the Company and shall endeavour to ensure that, before dissolution:

12.4.1 all existing contracts of the Company are performed to the extent that there are sufficient resources;

12.4.2 the Company shall not enter into any new contractual obligations;

12.4.3 the Company's assets are distributed as soon as practical.

13 STATUS OF AGREEMENT

13.1 Each Council shall, to the extent that it is able to do so, exercise all its voting rights and other powers in relation to the Company to procure that the provisions of this agreement are properly and promptly observed and given full force and effect according to the spirit and intention of the agreement.

13.2 If there is an inconsistency between any of the provisions of this agreement and the provisions of the Articles, the provisions of this agreement shall prevail as between the parties.

13.3 The Councils shall, when necessary, exercise their powers of voting and any other rights and powers they have to amend, waive or suspend a conflicting provision in the Articles to the extent necessary to permit the Company and its Business to be administered as provided in this agreement.

13.4 The Company is not bound by any provision in this agreement that would constitute an unlawful fetter of any of its statutory powers.

14 CONFIDENTIALITY

14.1 In this clause, **Confidential Information** means any information (however recorded or preserved) which:

14.1.1 any Council may have or acquire (whether before, on or after the date of this agreement) in relation to the customers, suppliers, business, assets or affairs or plans, intentions or market opportunities and the operations, processes, product information, know-how, designs, trade secrets or software of the Company (including, without limitation, any information provided pursuant to 8); or

14.1.2 any party may have or acquire (whether before, on or after the date of this agreement) in relation to the customers, suppliers, business, assets or affairs or plans, intentions or market opportunities and the operations, processes, product information, know-how, designs, trade secrets or software of a Council, as a consequence of the negotiations relating to this agreement or any other agreement or document referred to in this agreement or the performance of the agreement or any other agreement or document referred to in this agreement; or

14.1.3 relates to the contents of this agreement (or any agreement or document referred to in this agreement or agreement or arrangement entered into pursuant to this agreement),

but excludes the information in 14.2.

14.2 Information is not Confidential Information if:

14.2.1 it is or becomes generally available to the public (other than as a result of its disclosure in breach of this agreement); or

14.2.2 a party can establish to the reasonable satisfaction of the other parties that it found out the information from a person not connected with another party and that such person is not under any obligation of confidence in respect of the information; or

14.2.3 a party can establish to the reasonable satisfaction of the other parties that the information was known to the first party before the date of this agreement and that it was not under any obligation of confidence in respect of the information; or

14.2.4 the parties agree in writing that it is not confidential.

14.3 Each party shall at all times keep confidential any Confidential Information and shall not:

14.3.1 use such Confidential Information except for the purpose of exercising or performing its rights and obligations under or in connection with this agreement; or

14.3.2 disclose such Confidential Information in whole or in part to any third party, except as expressly permitted by this 14.

14.4 Each party may disclose Confidential Information:

14.4.1 to those of the party's Representatives who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this agreement, provided that it:

(a) informs its Representatives (or uses all reasonable endeavours to procure, in relation to the Representatives of the Company, the Company informs such Representatives) of the confidential nature of the Confidential Information before disclosure;

(b) ensures that any of its subsidiaries or its Representatives to whom it discloses Confidential Information comply with the confidentiality obligations set out in this clause; and

(c) uses all reasonable endeavours to procure that the Company ensures, in relation to its Representatives, that such Representatives to whom it discloses Confidential Information comply with the confidentiality obligations set out in this clause;

Representatives means, in relation to each party and any subsidiary of a party (as the case may be), their respective employees, officers, contactors, subcontractors, representatives and advisers.

14.4.2 with the written consent of the party that the information relates to; or

- 14.4.3 as may be required by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction, provided that, to the extent it is legally permitted to do so, it gives the other party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause, it takes into account the reasonable requests of the other party in relation to the content of such disclosure; or
- 14.4.4 a party may, provided it has reasonable grounds to believe that another party is involved in activity that may constitute a criminal offence under the Bribery Act 2010, disclose Confidential Information to the Serious Fraud Office without first informing the other party of such disclosure; or
- 14.4.5 to any tax authority to the extent reasonably required for the purposes of the tax affairs of the party concerned.
- 14.5 On termination of this agreement, each party shall (and shall use all reasonable endeavours to procure that its officers and employees):
- 14.5.1 destroy or return to each other party all documents and materials (and any copies) containing, reflecting, incorporating or based on such party's Confidential Information;
- 14.5.2 erase all the other parties' Confidential Information from computer and communications systems and devices used by it, including such systems and data storage services provided by third parties (to the extent technically and legally practicable),
- provided that a recipient party (and/or the Company, as the case may be) may retain documents and materials containing, reflecting, incorporating or based on the other party's Confidential Information to the extent required by law or any applicable governmental or regulatory authority.
- 14.6 The provisions of this **14** shall continue to apply after termination of this agreement for any cause.

15 ANNOUNCEMENTS

- 15.1 Subject to **15.2** no party shall make, or permit any person to make, any public announcement, communication or circular (**announcement**) concerning the existence, subject matter or terms of this agreement, the wider transactions contemplated by it, or the relationship between the parties, without the prior written consent of the other parties. The parties shall consult together on the timing, contents and manner of release of any announcement.
- 15.2 Where an announcement is required by law or any governmental or regulatory authority (including, without limitation, any relevant securities exchange), or by any court or other authority of competent jurisdiction, the party required to make the announcement shall promptly notify the other parties. The party concerned shall make all reasonable attempts to agree the contents of the announcement before making it.

16 FURTHER ASSURANCE

Without prejudice to 3, at its own expense each party shall (and shall use all reasonable endeavours to procure that any relevant third party shall) promptly execute and deliver such documents and perform such acts as the other party may reasonably require from time to time for the purpose of giving full effect to this agreement.

17 ASSIGNMENT AND OTHER DEALINGS

No party shall assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights and obligations under this agreement (or any other document referred to in it) without the prior written consent of the other parties.

18 ENTIRE AGREEMENT

18.1 This agreement (together with the documents referred to in it constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations, arrangements and understandings between them, whether written or oral, relating to their subject matter.

18.2 Each party acknowledges that in entering into this agreement (and any documents referred to in it), it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement or those documents.

18.3 Nothing in this clause shall limit or exclude any liability for fraud.

19 VARIATION AND WAIVER

19.1 No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

19.2 A waiver of any right or remedy under this agreement or by law is only effective if given in writing and signed by the person waiving such right or remedy and shall not be deemed a waiver of any subsequent right or remedy.

19.3 A failure or delay by any person to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

19.4 A person that waives a right or remedy provided under this agreement or by law in relation to one person, or takes or fails to take any action against that person, does not affect its rights or remedies in relation to any other person.

20 COSTS

Except as expressly provided in this agreement, each party shall pay its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this agreement (and any documents referred to in it).

21 NO PARTNERSHIP OR AGENCY

21.1 Nothing in this agreement is intended to, or shall be deemed to, establish any partnership between the parties or constitute any party the agent of another party.

21.2 Each party confirms that it is acting on its own behalf and not for the benefit of any other person.

22 NOTICES

22.1 A notice given to a party under or in connection with this agreement:

22.1.1 shall be signed by or on behalf of the party giving it;

22.1.2 shall be sent to the party for the attention of the contact and at the address or email address specified in [22.2](#), or such other contact, address or email address as that party may notify in accordance with [22.3](#);

22.1.3 shall be sent by a method listed in [22.4](#); and

22.1.4 is deemed received as set out in [22.4](#) if prepared and sent in accordance with this clause.

22.2 The addresses and email addresses and contacts for service of notices are:

22.2.1 Canterbury City Council:

(a) address: 14 Rose Lane, Canterbury CT1 2UR

(b) for the attention of: Jan Guyler

(c) email address: jan.guyler@canterbury.gov.uk

22.2.2 Dover District Council:

(a) address: Council Offices, White Cliffs Business Park, Dover CT16 3PJ

(b) for the attention of: Harvey Rudd

(c) email address: harvey.rudd@dover.gov.uk

22.2.3 Thanet District Council:

(a) address: Cecil Street, Margate CT9 1XZ

(b) for the attention of: Ingrid Brown

(c) email address: ingrid.brown@thanet.gov.uk

22.2.4 Company

(a) address: [-]

(b) for the attention of: [-]

(c) email address: [-]

22.3 A party may change its details for service of notices as specified in 22.2 by giving notice to the other parties, the change taking effect for the party notified of the change at 9.00 am on the later of:

22.3.1 the date, if any, specified in the notice as the effective date for the change; and

22.3.2 the date five Business Days after deemed receipt of the notice.

22.4 This 22.4 sets out the delivery methods for sending a notice to a party under this agreement and, for each delivery method, the date and time when the notice is deemed to have been received:

22.4.1 if delivered by hand, at the time the notice is left at the address;

22.4.2 if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting;

22.4.3 if sent by email, at the time of transmission.

22.5 If deemed receipt under 22.4 would occur outside Usual Business Hours, the notice shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this clause, **Usual Business Hours** means 9.00 am to 5.30 pm local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt of the notice (which, in the case of service of a notice by email shall be deemed to be the same place as is specified for service of notices on the relevant party by hand or post).

22.6 This 22 does not apply to the service of any proceedings or other documents in any legal action.

23 SEVERANCE

23.1 If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this agreement.

23.2 If any provision or part-provision of this agreement is deemed deleted, the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

24 AGREEMENT SURVIVES COMPLETION

This agreement (other than obligations that have already been fully performed) remains in full force after Completion.

25 THIRD PARTY RIGHTS

25.1 This agreement does not give rise to rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.

25.2 The rights of the parties to rescind or vary this agreement are not subject to the consent of any other person.

26 COUNTERPARTS

26.1 This agreement may be executed in any number of counterparts, each of which shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

26.2 Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format), shall take effect as the transmission of an executed "wet-ink" counterpart of this agreement.

27 GOVERNING LAW AND JURISDICTION

27.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

27.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

This agreement has been executed as a deed and is delivered and shall take effect on the date stated at the beginning of it.

Schedule 1
Reserved Matters

PART 1

- 1 Except as provided in clause 13.3, vary in any respect its Articles.
- 2 Alter any of the rights attaching to the shares in its issued share capital from time to time.
- 3 Increase or reduce the amount of its issued share capital, grant any option or other interest over or in its share capital, redeem or purchase any of its own shares, sell, transfer or cancel any shares held from time to time in treasury or otherwise alter, or effect any reorganisation of, its share capital.

PART 2

- 1 Permit the registration (upon subscription or transfer) of any person as a member of the Company other than pursuant to an allotment or transfer permitted or required by, and made in accordance with, this agreement or the Articles.
- 2 Alter its name or registered office.
- 3 Change the nature of its Business (as varied from time to time in accordance with this agreement).
- 4 Adopt or amend the Business Plan in respect of each Financial Year.
- 5 Recommend, declare or pay any dividend, or make any distribution of a capital nature.
- 6 Appoint or remove any director of the Company (other than a director appointed by Canterbury, Dover or Thanet under the powers conferred on each of them to appoint a director under the Articles).
- 7 Entering into any agreement or participating in a bidding or tendering process, of any nature, which could result in the award of a contract which has the potential to compromise the status of the Company as a Teckal-compliant vehicle.
- 8 Create or grant any Encumbrance over the whole or any part of the Business, its undertaking or assets or over any of the shares in its issued share capital from time to time.
- 9 Amalgamate or merge with any other company or business undertaking, form or acquire any subsidiary, directly or indirectly acquire shares in any other company or directly or indirectly participate in any partnership or joint venture.
- 10 Pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent).
- 11 Introduce for the benefit of any current or former director, employee or any other person any incentive scheme or arrangement (including, without limitation, any share option or share award plan, and any commission, profit sharing or bonus scheme), but excluding any reward or bonus given or paid (in whatever manner) to a person that when aggregated with all other

rewards or bonuses given or paid to them in any financial year does not exceed an amount equal to 10% of that person's basic salary.

PART 3

- 1 Enter into any arrangement, contract or transaction or participate in a bidding or tendering process that may result in the award of a contract:
 - 1.1 not provided for in its Business Plan; or
 - 1.2 with a value exceeding £200,000; or
 - 1.3 which is outside the normal course of the Business (as varied from time to time in accordance with this agreement);
 - 1.4 to make any acquisition or disposal of any material asset(s) otherwise than in the ordinary course of business; or
 - 1.5 to acquire any interest in or dispose of any interest in real property; or
 - 1.6 which is otherwise than on arm's length terms.
- 2 Incur any item or series of capital expenditure of, or making any investment of, or committing any funding of more than £200,000.
- 3 Engage any employee or consultant, or vary the terms of any person so engaged with the Company so that:
 - 3.1 more than [three] months' notice is required to terminate the contract; or
 - 3.2 the emoluments and/or commissions or bonuses are or are likely to be more than £100,000 per annum.
- 4 Initiating, discontinuing or settling any actual or threatened litigation or arbitration or compromise agreements other than:
 - 4.1 for the recovery of debts in the ordinary course; or
 - 4.2 where the matter relates to an employee and the value of the relevant claim does not exceed £100,000; or
 - 4.3 where the directors reasonably believe that a delay involved in obtaining prior consent would be detrimental to the Company.
- 5 Grant any rights (by licence or otherwise) in or over any intellectual property owned or used by the Company.
- 6 Incur any borrowings in excess of £[AMOUNT] in aggregate from time to time [other than from its bankers in the ordinary and usual course of business], or issue any loan capital.
- 7 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.

THE COMMON SEAL of **CANTERBURY CITY COUNCIL** we hereunto affixed in the presence of:

Authorised Signatory

Affix seal here

THE COMMON SEAL of **DOVER DISTRICT COUNCIL** we hereunto affixed in the presence of:

Authorised Signatory

Affix seal here

THE COMMON SEAL of **THANET DISTRICT COUNCIL** we hereunto affixed in the presence of:

Authorised Signatory

Affix seal here

Executed as a Deed by **[PARTNERSHIPONE] LIMITED** acting
by a director in the presence of:

}
Director

Witness signature

Name
(in block capitals)

Address

Occupation