



dated [            ] 2019

**Cambridge & Peterborough Combined Authority**

and

**[Holdco]**

and

**[Devco]**

## **Shareholder Agreement**

in respect of [Holdco] Limited [and its subsidiaries]

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# Shareholder Agreement

dated

2019

## Parties

- (1) **Cambridge & Peterborough Combined Authority** of The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX (the **Combined Authority**).
- (2) **[Holdco]** (company no [ ] ) whose registered office is at [ ] (the **Holdco**);
- (3) **[Devco]** (company no [ ] ) whose registered office is at [ ] (the **Devco** and a **Subsidiary**),

## Introduction

- (A) The Combined Authority has established the Holdco to be the holding company for various operational subsidiary companies established to deliver and support the activities of the Combined Authority.
- (B) The Combined Authority is the sole shareholder of the Holdco. The Holdco is the sole shareholder of the Devco.
- (C) Further Subsidiaries may execute a Deed of Adherence and Accession and become Parties to this Agreement from time to time.
- (D) The Combined Authority and Group Members are entering into this Agreement to ensure that the Combined Authority has effective arrangements for controlling and monitoring the operation of the Group Members.

## Agreed Terms

### 1 Definitions and Interpretation

#### 1.1 In this Agreement:

**Articles** means the respective articles of association adopted by the Group Members from time to time;

**Board** means the board of directors of the Group Members;

**Business** means the business of the Group Members as set out in clause 2;

**Business Day** means a day (other than a Saturday or Sunday) on which the banks in the City of London are open for retail business;

**Business Plan** means the plan for delivery of the Business for each Subsidiary (as context requires) as adopted, updated or amended in accordance with clauses 2.3 and 2.4;

**Combined Authority Consent** means consent of the Combined Authority in accordance with clause 3.7;

**Combined Authority Consent Matters** means those matters listed in Schedule 1;

**Councils** means Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council or South Cambridgeshire District Council and any successor body to any of these;

**Deed of Adherence and Accession** means the deed of adherence and accession in substantially the same form as set out in Schedule;

**Director** means as context requires, a director of the Holdco or any Subsidiary;

**Dwelling** means any dwelling owned by the Devco from time to time;

**Environmental Information Regulations** means the Environmental Information Regulations 2004;

**Finance Documents** means any development facility agreement to be entered into by a Group Member on or about the date of this Agreement, any loan note instrument to be entered into by a Group Member on or about the date of this Agreement, and any other funding and security documentation which is entered into by a Group Member relating to the provision of funding for the Business of the relevant Group Member;

**Financial Year** means a financial accounting period ending on 31 March;

**FOIA** means the Freedom of Information Act 2000;

**Group** means the Holdco and its Subsidiaries;

**Group Member** means a member of the Group from time to time. **Group Members** shall be construed accordingly;

**Information** has the meaning given to it under section 84 of the FOIA;

**[Remuneration and Expenses Policy** means a policy adopted by a Group Member (following receipt of Combined Authority Consent) and amended from time to time in relation to the remuneration (including salary, bonus, the provision of benefits-in-kind, reimbursement of expenses or otherwise) of directors, employees (if any), officers and consultants of the respective Group Members;]

**Request for Information** has the meaning set out in the FOIA or any apparent request for information made under the FOIA or the Environment Information Regulations;

**Shareholder** means, as context requires, any holder of any Share(s) from time to time, being the Combined Authority or Holdco at the date of this Agreement;

**Shares** means the ordinary shares of £1 each in the issued share capital of Holdco or the Subsidiaries;

**Subsidiary** means the Devco and any other corporate body which is wholly owned by Holdco and accedes to this Agreement as a Subsidiary by entering into a Deed of Adherence and Accession; and

**United Kingdom** means the geographical area of the United Kingdom of Great Britain and Northern Ireland as at the date of this Agreement.

1.2 A reference to a statutory provision includes a reference to:

1.2.1 a statutory amendment, consolidation or re-enactment (whether before or after the date of this Agreement);

1.2.2 statutory instruments or subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) or orders made under the statutory provision (whether made before or after the date of this Agreement); and

1.2.3 statutory provisions of which the statutory provision is an amendment, consolidation or re-enactment.

1.3 Reference to:

1.3.1 a person includes a legal or natural person, partnership, trust, company, government or local authority department or other body (whether corporate or unincorporate),

1.3.2 a statutory or regulatory body shall include its successors and any substituted body,

1.3.3 an individual includes, where appropriate, his personal representatives,

1.3.4 the singular includes the plural and vice versa, and

1.3.5 one gender includes all genders.

1.4 Unless otherwise stated, a reference to a clause or schedule is a reference to a clause or schedule to this Agreement and a reference to this Agreement includes its schedules.

1.5 Clause headings in this Agreement are for ease of reference only and do not affect its construction.

1.6 In construing this Agreement the so-called ejusdem generis rule does not apply and accordingly the interpretation of general words shall not be restricted by words indicating a particular class or particular examples.

1.7 For the purposes of this Agreement **Party** means a party to this Agreement and reference to **Parties** shall be to all or more than one of them as applicable.

1.8 Where a provision of this Agreement imposes an obligation, cost or liability on the Parties, that obligation, cost or liability shall be construed as being against those Parties jointly and severally, and where a provision of this Agreement gives a claim, benefit or right to the Parties, that claim, benefit or right attaches to those Parties jointly.

- 1.9 Where a consent and/or permission is required under this Agreement from one Party to the other that consent and/or permission shall not be unreasonably withheld or delayed.
- 2 **Business**
- 2.1 The Business of the Holdco shall be to operate as a holding company for the Subsidiaries from time to time together with any activities reasonably incidental thereto.
- 2.2 The Business of the Subsidiaries shall be as set out in their respective Business Plans.
- 2.3 Each Subsidiary shall;
- 2.3.1 submit its first Business Plan for the approval of the Holdco prior to or as reasonably close to its incorporation as is possible;
  - 2.3.2 carry on and conduct its business and affairs in accordance with the approved Business Plan and in a proper and business like manner; and
  - 2.3.3 use all reasonable endeavours to obtain and, if necessary, maintain in full force and effect all licences (including statutory licences), consents and authorities necessary to own and operate its assets and to carry on its business properly and effectively and in accordance with the approved Business Plan.
- 2.4 Each Subsidiary shall send a revised version of the then current Business Plan to the [Holdco] not less than once per calendar year and invite the [Holdco] to provide comments on the proposed Business Plan or to provide [Holdco] Consent. The [Holdco] will respond to the Subsidiary on the proposed Business Plan as soon as reasonably practicable (and in any event within three months) following receipt. Subject to the receipt of [Holdco] Consent before the end of each accounting period, the Holdco Board shall (in accordance with this Agreement) consider and, if appropriate, adopt an updated and revised Business Plan. No adoption, variation or replacement of any Business Plan shall take effect unless such adoption, variation or replacement has received Holdco Consent.
- 2.5 Each Business Plan shall be substantially in the format of the first Business Plan (unless otherwise stipulated by the Combined Authority).
- 2.6 Notwithstanding any other provision of this clause 2, following the requisite approval by the Board of a new proposed Business Plan or an amended or updated and revised Business Plan, such draft Business Plan shall become, or such amended or updated Business Plan shall become, the Business Plan for the relevant accounting periods. For any period when a proposed Business Plan has not been approved and adopted by the Board as stipulated in clause 2.4 and otherwise in accordance with this Agreement the relevant existing Business Plan shall continue to be the Business Plan of the Subsidiary.
- 2.7 [Upon any Combined Authority's request, the Subsidiaries will provide copies of the Policies to the Combined Authority].
- 2.8 The Group Members shall not acquire any property or otherwise trade outside of the Combined Authority's administrative area without Combined Authority Consent.

### 3 **Conduct of the Affairs of the Group Members**

- 3.1 Meetings of the Board for each Group Member shall be held no less than four times in every year and at not longer than three monthly intervals.
- 3.2 With the exception of those matters requiring Combined Authority Consent pursuant to clause 3.7, the management of each Group Member shall be vested in the respective Directors.
- 3.3 Without prejudice to the generality of the foregoing, the respective Boards will determine the general policies of the Group Members and the manner in which their respective Business is to be carried out, subject to the:
- 3.3.1 Business Plan (if applicable);
  - 3.3.2 those matters requiring Combined Authority Consent pursuant to clause 3.7; and
  - 3.3.3 any other express provisions of this Agreement.
- 3.4 In particular, the Directors shall exercise all voting rights and other powers of control available to them in relation to the Group Members so as to procure (in so far as they are able in the exercise of such rights and powers) that, at all times during the term of this Agreement, the Group Members shall:
- 3.4.1 carry on and conduct their business and affairs in a proper and efficient manner, for its own benefit and in accordance with both the respective Business Plans and good business practices, and
  - 3.4.2 transact all business on arm's length terms.
- 3.5 Group Members shall not carry out any activity which would render the holding of Shares by any Shareholder unlawful provided that where a proposed change of law would render such shareholding unlawful, such Shareholder will use its reasonable endeavours to take such steps as are necessary to allow it to continue lawfully to hold its Shares.
- 3.6 If a Group Member requires any approval, consent or licence for the carrying on of its Business in the manner in which it is from time to time carried on or proposed to be carried on, the Group Member will obtain and maintain the same in full force and effect.
- 3.7 Each Group Member shall ensure that none of the Combined Authority Consent Matters shall be carried out without the prior consent in writing of the Combined Authority.
- 3.8 Each Group Member shall permit any Director to discuss the affairs, finances and accounts of that Group Member with any designated officers and executives of the Combined Authority at any time. All books, records, accounts and documents relating to the business and the affairs of each Group Member shall be open to the inspection of any such person, who shall be entitled to make any copies thereof as he deems appropriate to keep the (relevant) Combined Authority properly informed about the business and affairs of the Group Member or to protect its interests as Shareholder. Any information secured as a consequence of such discussions and examinations shall be kept confidential by the

requesting Combined Authority and its designated officers and executives in accordance with the terms of clause 3.

3.9 Each Group Member agrees with the Combined Authority that it will:

3.9.1 maintain effective and appropriate control systems in relation to the financial, accounting and record-keeping functions of the Group Member; and

3.9.2 otherwise keep the Combined Authority informed of the progress of its business and affairs and in particular, will procure that the Combined Authority is given such information and such access to the officers, employees and premises of the Group Member as it may reasonably require.

3.10 [A Group member shall not breach nor cause the Combined Authority to be in breach of the Local Authorities (Companies) Order 1995 on the same terms as if the Local Authorities (Companies) Order 1995 applied to the Combined Authority.]

3.11 In the event that the Combined Authority has reasonable cause to believe that any Group Member is failing to meet (or is not in the Shareholder's reasonable opinion likely to meet) the required standards for regulatory compliance, governance or financial management, it may require and direct that Group Member to employ the appropriate administrative and professional services which may include (without limitation) services directly from the Combined Authority or the Constituent Councils, and in respect services from the Combined Authority / the Councils, these services shall be provided to that Group Member on a cost only basis.

3.12 Each Group Member recognises that the provision of support services (such as secretarial services, procurement, finance and human resources, business support and legal services) from a common supplier to the Group on a common basis has economic and other advantages, and accordingly wherever practical and /or appropriate shall put in place necessary arrangements to achieve this.

#### **4 Monitoring and Reporting**

4.1 Each Group Member shall (so far as practicable and subject always to meeting any obligations under company law) align its accounting practices with the Combined Authority.

4.2 [Each Group Member shall, within 10 Business Days of a written request by the Combined Authority to do so provide the Combined Authority with some or all of the following information:

4.2.1 Quarterly financial reports including management accounts, profit and loss, balance sheet, cash flow and forecast;

4.2.2 unaudited accounts within one month of the end of the Financial Year;

4.2.3 annual audited accounts three months after the end of that Financial Year;

4.2.4 copies of Board meeting minutes;

- 4.2.5 explanations and data (in the format specified by the Combined Authority) needed for its own accounting purposes and to enable production of group accounts.
  - 4.2.6 relating to the Holdco and/or the Subsidiaries' performance against key performance indicators; and
  - 4.2.7 any other information reasonably required by the Combined Authority.]
- 4.3 Each Group Member must maintain complete and accurate accounting and other financial records giving a true and fair view of the business and the state of affairs of the Group Member.
- 4.4 The Combined Authority and its authorised representative(s) shall have the right, on giving to the Group Members reasonable notice, and during normal business hours, to inspect the accounts, books and all financial and all other records of the Group Member.
- 4.5 The accounting reference date for each Group Member shall be aligned with the Combined Authority's accounting reference date [(currently 31 of March in each year)].
- 5 Subsidiaries Acceding to this Agreement**
- 5.1 Each Subsidiary of the Holdco (save for the Devco) will enter into a Deed of Adherence and Accession and shall have all the rights and obligations as if it were an original party to this Agreement.
- 5.2 Each party to this Agreement appoints [Holdco] to be its attorney and on its behalf and in its name to execute as a deed and deliver each Deed of Adherence and Accession and agrees to ratify and confirm all such deeds which [Holdco] shall properly execute in the exercise of such powers. All expenses, costs, claims and liabilities incurred by [Holdco] in the exercise of the powers conferred by the previous sentence shall be borne by it.
- 6 Covenants**

Each Group Member covenants to the Combined Authority in accordance with the terms of Schedule 2.
- 7 Termination**
- 7.1 This Agreement shall terminate upon the written agreement of the Parties in accordance with the terms agreed.
- 7.2 This Agreement shall terminate in respect of one or more Group Members if:
  - 7.2.1 a resolution is passed by the Combined Authority or the creditors of the Group Member, or any order made by a court or other competent body or person instituting a process that shall lead to the Group member being wound up and its assets being distributed among the creditors, the Combined Authority or other contributors;
  - 7.2.2 the Group Member ceases to carry on its business; or
  - 7.2.3 the Group Member is convicted of a criminal offence; or



7.2.4 the Combined Authority gives not less than 90 days written notice to the Group Member of the date on which all or part of this Agreement will terminate,

but shall cease and determine in respect of a Combined Authority (without prejudice to that Combined Authority's accrued rights, obligations or liabilities) upon the Combined Authority ceasing to hold Shares (directly or indirectly) in a given Group Member.

## 8 **Confidentiality**

8.1 Each Party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other Party or of any member of the Group to which the other Party belongs, except as permitted by clause 8.2.

8.2 Any Party may disclose another Party's confidential information:

8.2.1 to its employees, officers, representatives or advisers who need to know such information for the purposes of carrying out the Party's obligations under this Agreement. Either Party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other Party's confidential information comply with this clause 8; or

8.2.2 as may be required by law, court order or any governmental or regulatory authority.

8.3 Each Party acknowledges that the other Parties that they are subject to the requirements of the FOIA and the Environmental Information Regulations, and shall facilitate the other Parties' compliance with their Information disclosure requirements pursuant to and in the manner provided for in clauses 8.4 and 8.7.

8.4 If any Party (the **Recipient**) receives a Request for Information in relation to Information that another Party or multiples Parties is holding and which the Recipient does not hold itself, the Recipient shall refer to the other relevant Party or Parties such Request for Information as soon as practicable and in any event within five Business Days of receiving a Request for Information, and the other Party or Parties shall:

8.4.1 provide the Recipient with a copy of all such Information in the form that the Recipient requires as soon as practicable and in any event within ten Business Days (or such other period as the Recipient acting reasonably may specify) of the Recipient's request; and

8.4.2 provide all necessary assistance as reasonably requested by the Recipient to enable the Recipient to respond to a Request for Information within the time for compliance set out in Section 10 of the FOIA or Regulation 5 of the Environmental Information Regulations.

8.5 Following notification under clause 8.4, and up until such time as the other Party or Parties have provided the Recipient with all the Information specified in clause 8.4, the other Party or Parties may make representations to the Recipient as to whether or not or on what basis Information requested should be disclosed, and whether further information should reasonably be provided in order to identify and locate the information requested, provided always that the Recipient shall be responsible for determining, at its absolute discretion:

- 8.5.1 whether Information is exempt from disclosure under the FOIA and the Environmental Information Regulations;
- 8.5.2 whether Information is to be disclosed in response to a Request for Information; and
- 8.5.3 in no event shall the other Party or Parties respond directly to a Request for Information unless the Request for Information is addressed to it.
- 8.6 The Parties acknowledge that (notwithstanding the provisions of clause 8.1) the Recipient may, acting in accordance with the Cabinet Office Code of Practice on Freedom of Information issued in July 2018 under part I of the Freedom of Information Act 2000, be obliged under the FOIA or the Environmental Information Regulations to disclose Information concerning the other Party or Parties:
- 8.6.1 in certain circumstances without consulting with the other Party or Parties; or
- 8.6.2 following consultation with the other Party or Parties and having taken their views into account.
- 8.7 Each Party shall transfer to the other Party any Request for Information which it receives but is addressed to the other Party as soon as practicable and in any event within three Business Days of receiving it.
- 8.8 The Parties acknowledge that any lists provided which list or outline Confidential Information are of indicative value only and that a Recipient may nevertheless be obliged to disclose Confidential Information in accordance with clause 8.6.
- 9 **No Partnership**
- Nothing in this Agreement gives rise to a partnership between the Parties or constitutes one Party the agent of another.
- 10 **Contracts (Rights of Third Parties) Act 1999**
- 10.1 Unless the right of enforcement is expressly granted, it is not intended that a third party, other than a lawful successor in title or a lawful assignee, should have the right to enforce a provision of this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 10.2 The Parties may rescind or vary this Agreement without the consent of a third party to whom an express right to enforce any of its terms has been provided.
- 11 **Costs of this Agreement**
- Each Party shall pay its own costs in connection with the negotiation, preparation, execution and performance of this Agreement.
- 12 **Waiver**
- 12.1 The rights of each of the Parties in respect of a breach of this Agreement shall not be affected by completing, by rescinding, or failing to rescind, this Agreement, or by failing to exercise, or delaying in exercising, a right or remedy, or by anything else, except a specific authorised written waiver or release. A single or partial exercise of a right or remedy

provided by this Agreement or by law does not prevent its further exercise or the exercise of another right or remedy.

12.2 Waiver of a breach of a term of this Agreement, or of a default under it, does not constitute a waiver of another breach or default nor affect the other terms of this Agreement.

12.3 The rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies.

### 13 **Variation**

A purported variation of this Agreement is not effective unless in writing and signed by or on behalf of each of the Parties.

### 14 **Invalidity**

If a provision of this Agreement is held to be illegal or unenforceable, in whole or in part, under an enactment or rule of law, it shall to that extent be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement shall not be affected. The Parties agree to negotiate in good faith to agree the terms of a mutually satisfactory provision to be substituted for the provision found to be illegal or unenforceable.

### 15 **Entire Agreement**

15.1 This Agreement (together with any documents entered into under it or at the same time as it) supersedes all prior understandings and agreements between the Parties (whether written or oral) relating to its subject matter and contains the entire agreement between the Parties relating to its subject matter.

15.2 Each Party acknowledges that it does not enter into this Agreement on the basis of, and does not rely on, warranties or representations made, or agreed to, by any person (whether a party to this Agreement or not).

15.3 Each Party waives its rights against the other Party in respect of warranties and representations (whether written or oral) not expressly set out or referred to in this Agreement.

15.4 Nothing in this clause 15 limits or excludes liability for fraud.

### 16 **Status of this Agreement**

In the event of any ambiguity or discrepancy between the provisions of this Agreement and the Articles, then it is the intention of the Combined Authority that the provisions of the Articles of the respective Group Members shall prevail. Accordingly, the Combined Authority shall take all available steps and do all practicable acts and things as may be necessary or desirable, including, without limitation, exercising all voting and other rights and powers of control available to it in relation to the Group Members, so as to give effect to the provisions of this Agreement[. and shall further if necessary procure (insofar as it is able to do so by the exercise of those rights and powers) any required amendment to the Articles].

17        **Consents**

17.1        Consents, notices, approvals or agreements to be given by the Combined Authority under this Agreement shall be given in writing.

17.2        Where this Agreement provides that a matter is subject to the consent, approval or Agreement of any Group Member then (except as expressly provided otherwise), it shall be in the absolute discretion of the Group Member concerned as to whether (and if so, on what terms and conditions) the consent, approval or agreement is made.

18        **Communications**

18.1        Any notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by first-class post (and by air mail if overseas) or by facsimile or by email as follows:

18.1.1        if to the Combined Authority, to:

Address:        The Incubator 2, First Floor, Alconbury Weald Enterprise Campus,  
Alconbury Weald, Huntingdon, PE28 4WX

18.2        In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly given:

18.2.1        if delivered personally, when left at the address referred to in clause 18.1;

18.2.2        if sent by mail, other than airmail, two Business Days after posting it;

18.2.3        if sent by email, when sent provided there has been no communication by the recipient to the senders that the email has not been received,

18.2.4        provided always that a notice given in accordance with the above but received on a day which is not a Business Day or after business hours on a Business Day will only be deemed to be given on the next Business Day.

18.3        The original of any notice or other communication by fax shall be forwarded to the recipient(s) but the non-arrival of that original shall not affect the validity of the notice or other communication by fax.

19        **Counterparts**

19.1        This Agreement may be executed in a number of counterparts and by the Parties on different counterparts, but shall not be effective until each Party has executed at least one counterpart.

19.2        Each counterpart, when executed, shall be an original, but all the counterparts together constitute the same document.

20        **Governing Law and Jurisdiction**

20.1        This Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of England.

20.2 The Parties irrevocably submit to the exclusive jurisdiction of the courts of England in respect of any dispute or claim arising out of or in connection with this Agreement or any of the documents to be executed pursuant to this Agreement or their subject matter or formation (including non-contractual disputes or claims).

## Schedule 1

### Part A (Corporate Matters)

#### Combined Authority Consent Matters

**DN: we highlight below where the Combined Authority Consent Matters are those expressly requested by the CPCA, or where we have included additional matters for your review.**

No Group Member shall, unless it has Combined Authority 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 other than the Combined Authority in accordance with the terms of this Agreement and/or any permitted transferees; or
- 3 increase 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 under the Finance Documents; 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 (as applicable) or set out in its objects (or as is incidental thereto) 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 of its Subsidiaries 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 (as applicable); or
- 11 declare or pay any dividend;
- 12 amalgamate or merge with any other company or business undertaking; or
- 13 alter its name or registered office; or
- 14 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

- 15 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms; or
- 16 create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any material asset or its business in whole or in part or any of its shares other than:
  - 16.1 pursuant to the Finance Documents;
  - 16.2 liens arising in the ordinary course of business; or
  - 16.3 any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business; or
- 17 adopt or amend its Business Plan (as applicable); or
- 18 change either:
  - 18.1 its statutory auditors; or
  - 18.2 its Financial Year end; or
- 19 make or permit to be made any material change in the accounting policies and principles adopted in the preparation of its accounts except as may be required to ensure compliance with relevant accounting standards under the CA 2006 or any other generally accepted accounting principles in the United Kingdom; or
- 20 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
- 21 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 (as applicable); or
- 22 factor or assign any of its book debts; or
- 23 establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors, officers or employees; or
- 24 establish or amend any pension scheme or grant any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family; or
- 25 appoint or dismiss any Director, or enter into any service contract terms of appointment or other agreement with a Director; or
- 26 agree to remunerate (by payment of salary, bonus, the provision of benefits-in-kind or otherwise) or to increase the remuneration of any Director; or

- 27 agree to remunerate (by payment of salary, bonus, the provision of benefits-in-kind or otherwise) or to increase the remuneration of employee, officer or consultant where the annual aggregate amount of such remuneration (by payment of salary, bonus, the provision of benefits-in-kind or otherwise) would exceed £100,000;
- 28 institute, settle or compromise any material legal proceedings (other than debt recovery proceedings in the ordinary course of business or where the Value of such claim is reasonably believed to be less than [£10,000]) 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 (as applicable); or
- [DN: to confirm value of claims able to be settled without CPCA consent]**
- 29 make any agreement with any revenue or tax authorities or make any claim, disclaimer, election or consent for tax purposes 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 (as applicable).



## Schedule 1

### Form of Deed of Adherence and Accession

#### Deed of Accession

dated [ ] 20[ ]

By [ ] a company incorporated in England and Wales (registered number [ ]) whose registered office is at [ ] (the **New Subsidiary**) in favour of the persons whose names and addresses are set out in the Schedule to this Deed (the **Continuing Parties**).

#### Introduction

- (A) This Deed is supplemental to a Shareholder Agreement dated 20[ ] between *[insert details]* (the **Shareholder Agreement**) and to *[insert details of any subsequent Deeds of Adherence and Accession or any Deed of Amendment]*.
- (B) Provision is made in the Shareholder Agreement for the New Subsidiary to accede as a party thereto as a further Subsidiary and it has agreed to do so.

#### Agreed terms

- 1 The New Subsidiary confirms that it has been given a copy of the Shareholders' Agreement and covenants with the Continuing Parties to observe, perform and be bound by every provision of the Shareholder Agreement in the capacity of a Subsidiary with effect from the date of this Deed.
- 2 Unless the context requires otherwise, words and expressions defined in the Shareholder Agreement shall have the same meanings when used in this Deed of Adherence and Accession.
- 3 This Deed of Adherence and Accession shall be governed by and construed in accordance with English law.

This Deed of Adherence and Accession has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

#### Schedule

*[Insert names and addresses of Continuing Parties]*

This Deed has been executed as a deed and delivered on the date stated at the beginning of this Deed.

In **witness** whereof the parties have executed this Agreement as a deed.

The **Common Seal** of )  
**Cambridge & Peterborough Combined Authority** )  
was hereunto )  
affixed in the presence of: )

.....  
Authorised Signatory

executed as a deed by )  
**[Holdco] Limited** )  
 )  
acting by: )

a director in the presence of: .....  
Director

Witness signature  
Name  
Address

executed as a deed by )

**[Devco] Limited )**

)

acting by: )

a director in the presence of: .....

Director

Witness signature

Name

Address