

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY ("CPCA")

CAMBRIDGESHIRE AUTONOMOUS METRO ("CAM")

CPCA/SPV - SHAREHOLDER AND SPV AGREEMENT

DRAFT HEADS OF TERMS

Below are the draft heads of terms for the "Shareholder and SPV Agreement" ("**SSPVA**") referred to in the CPCA Board Paper in relation to the incorporation of an SPV for the purposes of the CAM Programme.

In preparing these draft heads of terms, we have referred to previous papers that have been prepared by the CPCA and its advisors, in particular the Leaders Strategy Paper (June 2020), the Deloitte Governance Report (21 July 2020) and the Project Initiation Document for CAM Promoter Body (20 May 2020). The Leaders Strategy Paper and the Deloitte Governance Report note that "*Whilst established as a public sector controlled company, it is the intention of the CPCA that this will have a strong commercial and corporate sector facing approach from the outset*". As the intention is to establish a special purpose company focused on the CAM, it is important to set out, on an arms length basis, the relationship and allocation of responsibilities between the CPCA and the SPV which is broader than the purely shareholder arrangements. This will serve to move forward with the Programme in a structured way, ensuring that the SPV is empowered to develop CAM and that the CPCA has the appropriate oversight in order to fulfil any broader (including to central government) reporting and accountability obligations. This approach is consistent with the types of development agreements relating to other major transport programmes where a public sector special purpose company is involved including e.g. High Speed 2 and Crossrail. The discipline that such an arrangement will engender will serve to demonstrate a robust market-facing entity and thereby build market confidence.

This initial draft heads of terms is intended to set out the types of provisions we would expect to see in a "contract" governing this type of public sector relationship. We have developed a "Responsibility Matrix" to identify key activities and proposed an allocation of responsibility where possible. It may be that not all of these activities can be determined at this stage, both in terms of the detail of the activity and the responsibility. Indeed, there will be several activities that require joint effort. Whilst the SSPVA will take the form of a contract, this is in order to bring some structure to the Programme and high-level parameters in relation to the SPV's scope of work, rather than to create either additional administrative burden on either Party or a detailed set of terms and conditions that lead to formal enforcement and remedies.

Ref.	Provision	Content
1.	Parties	(1) CPCA (2) SPV
2.	Recitals	This section will include a set of brief introductory statements providing background to entry into the SSPVA, addressing e.g.: (i) delivery of the Programme in the context of CPCA and DfT's broader transport planning strategy; (ii) ownership of share capital in the SPV; (iii) legislative support for the Programme; and (iv) funding commitments for Programme.
3.	Definitions and Interpretation	Definitions: to be completed in due course. Interpretation: standard interpretation provisions to be included.
4.	CAM Programme	The Parties acknowledge the Strategic Goals and Objectives of the CPCA are detailed in the CAM LTP Sub-Strategy, as further described in [Schedule ***].
5.	Role of CPCA	The CPCA's key roles in relation to the CAM Programme are as set out in Schedule 1 (<i>Responsibility Matrix</i>).
6.	Role of SPV	The SPV's key roles in relation to the CAM Programme are as set out in Schedule 1 (<i>Responsibility Matrix</i>).
7.	Co-operation between the Parties	The Parties shall work together as follows: 7.1 act reasonably and co-operate with each other and with other relevant third parties; 7.2 act in good faith and in a transparent manner; 7.3 work collaboratively to optimise the benefits of the CAM programme; 7.4 give early notice to each other in certain circumstances including: 7.4.1 any breach of/defaults under this Agreement; 7.4.2 any delay in meeting the Key Dates;

Ref.	Provision	Content
		<p>7.4.3 any potential or actual material impact on the Programme costs;</p> <p>7.4.4 any matter which may have a material impact on compliance with this Agreement or delivery of CAM.</p>
8.	Delivery of CAM	<p>The SPV shall manage, develop and deliver the CAM Programme, and shall perform its obligations under this Agreement at all times:</p> <p>8.1 in accordance with the Requirements to be developed by the CPCA;</p> <p>8.2 in accordance with the Delivery Schedule set out in Schedule 2;</p> <p>8.3 in accordance with the Financial Model;</p> <p>8.4 to ensure that the CAM Programme is delivered within the Programme Budget as described in the Business Plan;</p> <p>8.5 in compliance with the Delegations it has been granted;</p> <p>8.6 in compliance with any statutory powers and duties contained in any consenting instrument (e.g. an Order made under the Transport and Works Act 1992), whether or not that instrument is for the benefit of the SPV or CPCA;</p> <p>8.7 in compliance with any third party agreements;</p> <p>8.8 in compliance with Applicable Law, Standards and Guidance;</p> <p>8.9 in compliance with Good Industry Practice;</p> <p>8.10 in compliance with CPCA Policies;</p> <p>8.11 so as to ensure there are no circumstances which may lead to the suspension, alteration, cancellation or revocation of Consents;</p> <p>8.12 to ensure that the delivery of the Programme is co-ordinated and progressed efficiently and in a timely manner having regard to dependencies, sequencing of Phases and interfaces; and</p> <p>8.13 so as to minimise whole-life costs, in respect of the infrastructure, rolling stock, financing, operations, maintenance and</p>

Ref.	Provision	Content
		renewals.
9.	Business Plan	<p>9.1 The SPV shall develop and implement a Business Plan, which shall be updated from time to time, and which may address matters such as the following:</p> <p>9.1.1 CAM Programme budget;</p> <p>9.1.2 Delivery Contracts to be entered into;</p> <p>9.1.3 development of the SPV organisation, including budgets for corporate/operational, human resources and information technology;</p> <p>9.1.4 future ownership / management options;</p> <p>9.1.5 establishment and constitution of necessary Board committees;</p> <p>9.1.6 stakeholder engagement;</p> <p>9.1.7 development of the financial model; and</p> <p>9.1.8 provisions in relation to the services to be provided by CPCA to the SPV pursuant to the Services Agreement.</p>
10.	Delivery Strategy and Business Case	<p>10.1 The SPV shall develop the Delivery Strategy, which shall address <i>inter alia</i> the nature of the strategic approach, land and property, planning, powers and consenting (particularly around the respective roles of CPCA and the SPV in terms of promoting and obtaining powers and consents, the exercise of any consenting powers and for whose benefit such powers should be drafted), funding and finance, design, procurement, construction, commissioning, operations, maintenance, and shall issue the draft Delivery Strategy to the CPCA in accordance with the Delivery Schedule and shall address comments received from CPCA.</p> <p>10.2 The Business Case(s) shall be developed, delivered and updated in accordance with this section 10.2:</p> <p>10.2.1 The SPV shall prepare the Outline Business Case(s) and shall issue the draft OBC to the CPCA in accordance with the Programme and shall address comments received from CPCA.</p> <p>10.2.2 The SPV shall submit the Outline Business Case(s) to the SoS in accordance with the Delivery Strategy and by</p>

Ref.	Provision	Content
		the Key Date set out in the Delivery Schedule.
		10.2.3 The Parties acknowledge that the Outline Business Case(s) may be amended from time to time by the SoS in consultation with the CPCA and/or the SPV.
		10.2.4 The SPV shall prepare the Full Business Case(s) and shall issue the draft FBC to the CPCA in accordance with the Programme and shall address comments received from CPCA.
		10.2.5 The SPV shall submit the Full Business Case(s) in accordance with the Programme.
	10.3	Security The SPV shall ensure that it has, and shall procure in relation to the delivery of the CAM Programme that there are, appropriate security processes and controls in place for personnel, cyber, systems and operational and physical security, in compliance with Applicable Law, Guidance and Good Industry Practice/Best Current Practice.
	10.4	Delivery and procurement of Delivery Contracts 10.4.1 The SPV shall plan a timetable for delivery of the CAM Programme as part of the Delivery Strategy with the prior approval of the CPCA. 10.4.2 The SPV shall run the tender processes in relation to the delivery of the CAM Programme, with input from CPCA as determined from time to time. Save as otherwise agreed, the SPV shall be the procuring authority for the purposes of the procurement regulations. 10.4.3 The SPV shall not enter into any Delivery Contract otherwise than in accordance with the Annual Business Plan, except with the prior written approval of the CPCA. 10.4.4 All Delivery Contracts entered into by the SPV shall flow down the rights and obligations of the SPV under this Agreement to the extent applicable to the subject matter of the relevant Delivery Contract. 10.4.5 The SPV will not contract in a manner that would breach any Consents or third party agreements.
	10.5	Intellectual Property Rights

Ref.	Provision	Content
		This section should set out the base position on IPR that is to flow through all Delivery Contracts.
11.	System Integration	<p>The SPV shall ensure that CAM is developed to ensure that:</p> <p>11.1 the component elements which are within the remit of the CPCA/SPV are fully integrated with any GCP component elements (including those that are currently being developed by GCP);</p> <p>11.2 its component elements, including infrastructure rolling stock, operation and maintenance facilities (including depots) and power, integrate fully to achieve full functionality; and</p> <p>11.3 the CAM is safe and complies with relevant certification requirements.</p>
12.	Innovation / Technology	The SPV shall discharge its obligations under the SSPVA in compliance with the CPCA's strategic priorities and objectives with regard to innovation, as set out in [Schedule ***]. [DN: Cross-refer to Schedule identified in section 4.]
13.	Social values	The SPV shall discharge its obligations under the SSPVA in compliance with the CPCA's strategic priorities and objectives with regard to social values, including in relation to local employment, community benefits and energy efficiency/net carbon zero objectives, as set out in [Schedule ***]. [DN: Cross-refer to Schedule identified in section 4.]
14.	Delivery Schedule and Key Dates	The SPV shall be required to maintain a Delivery Schedule, which shall include as a minimum the Key Dates. The Delivery Schedule shall be updated from time to time, including as part of the Delivery Strategy and Outline/Full Business Cases.
15.	Financial models	The SPV shall prepare for approval by the CPCA, and shall thereafter maintain, a Financial Model in respect of the CAM Programme.
16.	Land and property strategy	<p>The SPV shall, as part of the Delivery Strategy, develop a land and property strategy that includes consideration of the respective roles of the SPV and CPCA in terms of land acquisition. In particular, this will need to consider the following elements:</p> <p>16.1 landowner engagement;</p> <p>16.2 'early' acquisition and other 'investment' transactions (e.g. as part of the LVC piece);</p> <p>16.3 developing the need and justification for any necessary compulsory acquisition powers and how (and by whom) they would be exercised (this links in with the roles for each party associated with any consenting application powers and how they will</p>

Ref.	Provision	Content
		<p>be exercised if granted);</p> <p>16.4 developing the need and justification for any temporary possession powers for construction sites and other temporary uses and how (and by whom) they would be exercised (see above);</p> <p>16.5 interface with developments (e.g. New East Cambridge/Marshall Group);</p> <p>16.6 overstated development opportunities;</p> <p>16.7 how property, once acquired, would be managed; and</p> <p>16.8 programming.</p>
17.	Promotion, communication and stakeholder engagement	<p>The SPV shall develop a programme for internal and external communications in relation to the CAM Programme.</p> <p>17.1 SPV to act as promoter for Programme to make strong public case for CAM in order to build and maintain support amongst the public and as broad a range of external stakeholder organisations as possible.</p> <p>17.2 SPV programme for internal and external communications to provide:</p> <p>17.2.1 details of how SPV will work with DfT (and other stakeholders) in a co-ordinated, transparent and delivery-focused manner, including preparation of key announcements for the Programme; and</p> <p>17.2.2 for the effective engagement of stakeholders with an interest in the Programme regarding issues including those relating to service provided, budget and environmental impacts, local and national regeneration and wider benefits.</p> <p>17.3 It is envisaged that:</p> <p>17.3.1 the CAM Partnership Board shall be established as a forum for information sharing and engagement by the SPV in line with its stakeholder engagement strategy. A programme of bi-yearly meetings and regular update newsletters shall be maintained to keep members informed; and</p> <p>17.3.2 membership of this group shall include members of the current CAM Partnership Board and other interested stakeholders. Members of the CAM Partnership Board will include those local organisations with transport powers</p>

Ref.	Provision	Content
		and authorities.
18.	Funding and Financing	<p>18.1 The Parties acknowledge that the Initial Funding for the purposes of the SPV performing its functions will be provided by the CPCA. The CPCA funding shall be used by the SPV:</p> <p>18.1.1 for the carrying out of its obligations under this Agreement and the Delivery Contracts;</p> <p>18.1.2 for maintaining the SPV as a corporate, operational and business entity, including staff and HR costs, IT, Consents, directors' remuneration; and</p> <p>18.1.3 for any other purpose approved by the CPCA.</p> <p>18.2 The Parties acknowledge that the funding strategy shall be addressed in the Delivery Strategy and the Outline Business Case/Full Business Case, and may include a mix of funding sources and from public and private sector sources, such as Local Growth Funding ("LGF"), grant funding from central government, Homes England, land value capture.</p> <p>18.3 The Parties acknowledge that the financing strategy shall be addressed in the Delivery Strategy and the Outline Business Case/Full Business Case, and may include private sector financing.</p>
19.	Contract Governance	<p>19.1 Contract Representatives</p> <p>Each Party shall appoint a representative for the purposes of administering the SSPVA, such person having full authority to act on the Party's behalf (subject to governance/decision-making requirements).</p> <p>19.2 Management information and reporting</p> <p>Management Information intended to capture all relevant operating, financial, performance and other projections, models and/or data. Management Information System ("MIS") to be developed and maintained by SPV, with information held on MIS provided to CPCA as reasonably required.</p> <p>Management Information is intended to enable the SPV to manage, develop and deliver the Programme in accordance with the SSPVA, while providing the CPCA with the necessary oversight to enable it to review and measure progress of the Programme, identify issues affecting delivery and make informed decisions relating to the Programme.</p>

Ref.	Provision	Content
		<p>19.3 Reports and Records</p> <p>The SPV to discharge obligations in relation to Management Information and reporting exercising e.g. Best Current Practice; grant CPCA access to MIS; comply with openness and transparency principles in a manner that allows decisions of CPCA to be open to scrutiny and justification.</p>
20.	SPV Governance Structures & Board Committees	<p>20.1 In accordance with the draft SPV governance structure, the SPV shall consider the establishment of Board Committees, including in relation to:</p> <p>20.1.1 Audit, Risk and Health & Safety: responsible for fulfilling statutory obligations and oversight of risk;</p> <p>20.1.2 Economic and People: responsible for assurance that the CAM Programme is having the economic impact intended, and delivering the people benefits; all through a lens of the environmental impact (6) within the Terms of Reference;</p> <p>20.1.3 Innovation Delivery: responsible for assurance over the delivery of the CAM and potential technical innovation used, all through a lens of the environmental impact embedded via TOR; and</p> <p>20.1.4 Remuneration and Nominations: responsible, amongst other elements, for determining the future skillset requirements of board members. Membership will include all of the NEDs, and the Shareholder Director.</p> <p>20.2 The Board Committees shall be constituted as a standing committee of the SPV. The Board Committees shall have no executive powers, other than those specifically delegated by the Board in the terms of reference.</p> <p>20.3 Legal or other independent professional advice and the attendance of outsiders with relevant experience and expertise can be sought by each Board Committee, if required.</p> <p>20.4 The Board Committees established by the SPV shall be assurance based committees with Non Executive Director chair and membership, supported by key Executive Directors.</p> <p>20.5 The Parties acknowledge the evolving nature of the CAM Programme and accordingly agree that the governance structures established pursuant to this clause 20 shall continue to be reviewed and developed by the Parties over the course of the CAM Programme, including as the CAM Programme advances through the capital programme lifecycle.</p>

Ref.	Provision	Content
21.	Future ownership / management options	<p>21.1 SPV to facilitate and not hinder any future decision of CPCA to transfer all or part of membership of SPV or procure sale of whole or part of SPV business, outsourcing, concession etc. This includes not entering into any delivery contract which enables a counterparty to terminate such contract in event of change of control of SPV.</p> <p>21.2 Following receipt by SPV of notice from CPCA informing of any such decision by CPCA, SPV to take steps and provide assistance to ensure effective transfer of ownership or handover.</p> <p>21.3 SPV to have in place appropriate business functions (administrative support, finance, IT, marketing, HR etc.) so as to be a self-standing business capable of independent operation.</p>
22.	Change	Provision of Change Schedule shall apply in respect of any "Change". Process to allow for initiation of Changes, Change appraisal, funding of Change and implementation of Change.
23.	Shareholder matters	Please refer to Schedule 3 (<i>Matters reserved for CPCA</i>) for a proposed list of matters to be reserved for the CPCA.
24.	Anti-embarrassment	<p>We would anticipate the inclusion of anti-embarrassment wording in favour of the CPCA, with appropriate remedies, should the SPV:</p> <p>24.1 do anything which causes the embarrassment and/or brings the CPCA into disrepute;</p> <p>24.2 prevents the CPCA from extinguishing its statutory function/or powers;</p> <p>24.3 breaches the terms of the reserved matters or any of its obligations under the terms of the agreement; and</p> <p>24.4 fails to act upon act direction of the CPCA, the result of which causes harm or otherwise to the CPCA.</p>
25.	Conflict of interest	<p>Provisions to be developed to deal with conflicts that arise between the interests of the Parties which may occur in relation to e.g. the following:</p> <p>25.1 contracts – where the SPV has a material interest;</p> <p>25.2 decision-making – dispute in terms of governance; and</p> <p>25.3 Local Development Plan – interpretation and/or enforcement of local planning decision/determinations.</p>

Ref.	Provision	Content
26.	Confidentiality, FOIA, Anti-Bribery, GDPR	<p>26.1 Confidentiality</p> <p>Parties to treated Confidential Information as confidential except in limited circumstances to be specified in SDPA.</p> <p>26.2 FOIA</p> <p>Each Party subject to FOI Legislation and agrees to assist and cooperate with the other to enable compliance. Parties to consult upon receipt of Information Request in relation to e.g. any Delivery contract. Recipient of an Information Request responsible for determining whether such information is exempt under FOI Legislation.</p> <p>26.3 Anti-bribery</p> <p>SPV responsible for ensuring it, its agents and each Delivery Contractor and sub-contractor shall comply with all anti-bribery and anti-corruption laws and policies applicable to the Programme.</p> <p>SPV to ensure each Delivery contract contains a "flow-down" of those equivalent provisions imposed on SPV under the SSPVA.</p> <p>26.4 GDPR</p> <p>Data protection provisions to govern the Parties rights and obligations in respect of compliance with Data Protection Legislation, including mechanics for discharge of "Data Controller" and "Data Processor" statutory duties (as the context requires).</p>
27.	Expiry and Termination	<p>27.1 CPCA to issue termination notice of SSPVA if (i) CPCA elects in its absolute discretion to terminate for any reason; or (ii) the Parties mutually agree to terminate.</p>
28.	Miscellaneous	<p>Boilerplate provisions to be included, addressing e.g.:</p> <p>28.1 Notices: Contractual notices to be given in writing and signed on behalf of such Party and to be served in accordance with delivery terms set out in SSPVA.</p> <p>28.2 Dispute Resolution Procedure: Established contractual process for notification and resolution of Disputes, including an appropriate escalation mechanism.</p>

Ref.	Provision	Content
		<p>28.3 Rights of third parties: No enforcement of SSPVA by third parties under <i>Contracts (Rights of Third Parties) Act 1999</i>.</p> <p>28.4 Further assurance: Each Party agrees to perform all further acts and things, and execute and deliver such further documents, as may be required to implement the Agreement and the Programme. Each Party shall ensure its internal governance arrangements enable it to comply with its obligations under the SSPVA.</p> <p>28.5 Severance: If any provision of the SSPVA is held to be, or becomes illegal, void or unenforceable, such provision shall be deemed not to be included in the SSPVA but without invalidating any of the remaining provisions.</p> <p>28.6 Assignment: Neither Party to assign rights and/or obligations under SSPVA without prior written consent of the other.</p> <p>28.7 Governing Law: SSPVA and relationship between CPCA and SPV to be governed by English law.</p>

Schedule 1 – Responsibility Matrix

The Responsibility Matrix set out below is indicative only and shall remain subject to regular review and update by the Parties.

[DN: It is intended that the indicative matrix below will evolve over the course of the CAM Programme as the SPV becomes a more robust organisation and takes on additional responsibility and ownership for delivery of the Programme.]

Ref.	Activity	CPCA Responsibility	SPV Responsibility	Joint Responsibility
1.	Act as funder and sponsor of the CAM Programme.	x		
2.	Set the CPCA Requirements.	x		
3.	Be accountable for the delivery of the benefits of the Programme.		x	
4.	Obtaining required powers, consents and approvals for the Programme.			[x]
5.	As provided for in the Delivery Strategy, discharge its responsibilities in respect of any consenting processes (e.g. under the Transport and Works Act 1992).			[x]
6.	Preparation of the Outline Business Case(s) and Final Business Case(s).		x	
7.	As provided for in the Delivery Strategy, manage processes for liaising with Government, around policy and legislative change.			x
8.	Build and maintain skills, capacity and systems which are necessary / appropriate to enable CPCA to comply with its obligations under SSPVA.	x		
9.	Discharge its responsibilities in respect of the land and property strategy forming part of and set out in the Delivery Strategy.			[x]
10.	Interface with stakeholders, including in particular the Greater		x	

Ref.	Activity	CPCA Responsibility	SPV Responsibility	Joint Responsibility
	Cambridge Partnership, and general stakeholder management.			
11.	Monitor the SPV and receiving management information.	x		
12.	Enter into contracts for the design, construction, financing, operation and maintenance of CAM.		x	
13.	Preparation of Delivery Strategy.		x	
14.	Developing capacity within the SPV – staffing and consultants/advisers.		x	
15.	Performance of statutory functions, either as delegated to it, or contracted out by CPCA, or directly vested in the SPV by or under any statutory order providing powers and consents in relation to any project within the Programme.		x	
16.	Reporting to and provision of information to CPCA.		x	
17.	Integration of the different components of CAM and their on-going operation		x	

Schedule 2 – Delivery Schedule

[DN: Examples only. Schedule will provide a "baseline" and is intended to be continually refined maintained and updated by CPCA/SPV over the course of the Programme. To include anticipated sequence, duration and timing of each stage of design, procurement, construction and commissioning activities for each Phase of the Programme.]

Item	Key Date	Target Date
1.	[CPCA initial funding provided to SPV]	[Q3 2020]
2.	Finalisation of Delivery Strategy	[Q1 2021]
3.	Finalisation/approval of Outline Business Case	[•]
4.	[CPCA or SPV applies for Orders under Transport and Works Act 1992 / DCO under Planning Act 2008]	[•]
5.	[Approval of Full Business Case (FBC)]	[•]
6.	[CPCA obtains wider Government approval(s)]	[•]
7.	[SPV develops the outline specification of the CAM, including scope of innovation]	[•]
8.	[Commencement of design activities relating to Programme/Detail design process of CAM corridors]	[•]
9.	[Commencement of procurement activities relating to Programme]	[•]
10.	[Key dates for acquisition of relevant Land (and associated real estate rights) for each phase]	[•]
11.	[Key dates by which draft documentation (e.g. delivery contracts or sub-contracts) to be approved or rejected by CPCA]	[•]

12.	[Commencement of construction enabling projects]	[2024]
13.	[Commencement of programme construction]	[•]
14.	[Commencement of commissioning activities relating to Programme]	[•]
15.	[Target final delivery date for Programme]	[2030]

Schedule 3 – Matters reserved for the CPCA

1. The following matters or issues are reserved for the sole determination of the CPCA. Should there be any inconsistency between the articles of association of the SPV and the Agreement, the terms of the Agreement will prevail.
2. The Parties agree that the following matters shall be reserved for the CPCA, these being:
 - i. Permit the registration of any person as a shareholder to the SPV.
 - ii. Increase the amount of its issued share capital of the SPV, 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 reduce its share capital or effect any other reorganisation of its share capital.
 - iii. Issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital.
 - iv. Make any borrowing or enter into any banking facilities on behalf of the SPV.
 - v. Apply for the listing of any shares or debt securities on any stock/investment exchange or the alternative investment market or the trading of any of its shares or debt securities on any market.
 - vi. [Payment of dividends to shareholders of the SPV.] **[DN: This will need to be in accordance with any dividend strategy formulated with any third party shareholder.]**
 - vii. Pass any resolution for the winding up of the SPV.
 - viii. Engage in any business other than the delivery of CAM (as contemplated under the Agreement).
 - ix. Close down or make any material change in the nature, scope or location of any business.
 - x. Acquire or dispose of any assets or any freehold or leasehold properties in the ownership of the SPV (from time to time).
 - xi. Vary in any respect the SPV's company structure, articles of association or the rights attaching to any of its shares in the SPV.
 - xii. Change the name of the SPV.
 - xiii. Enter into any transaction or arrangement of any nature whatsoever with any of the SPV's members or directors or any person who is connected (within the meaning of section 1122 of the Corporation Tax Act 2010 or section 993 of the Income Tax Act 2007) to any of its members or directors whether or not any other person shall be party to such transaction or arrangement.

- xiv. Enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms.
- xv. Enter into, as lessor or as lessee, any operating lease; or grant any rights (by licence or otherwise) in or over any intellectual property owned or used by the SPV;
- xvi. Create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any asset; and/or
- xvii. Adopt or amend its annual business plan.
- xviii. Change the SPV's: (a) auditors; (b) its accounting reference date; (c) its registered office; (d) its solicitors; or (e) its bankers.
- xix. Make or permit to be made any change in the accounting policies and principles adopted by the SPV.
- xx. Open or close any bank account or alter any mandate given to the SPV's bankers relating to any matter concerning the operation of the company's bank accounts.
- xxi. Factor or assign any of the book debts of the SPV.
- xxii. Adopt or amend any standard terms of business (including prices) on which the company is prepared to provide goods or services to third parties.
- xxiii. Remuneration of any SPV Director.
- xxiv. Remuneration of any SPV employee exceeding £100,000.
- xxv. Establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors or employees. **[DN: To consider whether this item is a reserved matter given there is a Nominations/Remuneration Committee being proposed in the SPV.]**
- xxvi. Establish or amend any pension scheme or grant any pension rights to any director, employee, former director or employee, or any member of any such person's family. **[DN: See comment at para xxv above.]**
- xxvii. Dismiss or appoint any director, officer or employee. **[DN: See comment at para xxv above.]**
- xxviii. Institute, settle or compromise any legal proceedings instituted or threatened against the SPV or submit to arbitration any dispute involving the SPV.