

## Appendix 2 Further examples of reserved matters

- 1 The company shall not, except with the prior written consent of the Shareholder:
  - 1.1 vary in any respect its articles of association or the rights attaching to any of its shares;
  - 1.2 permit the registration (upon subscription or transfer) of any person as a member of the company [other than the Shareholder [in respect of their initial investment] and/or any permitted transferees];
  - 1.3 increase the amount of its issued share capital, 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, sell, transfer or cancel any shares held from time to time in treasury or effect any other reorganisation of its share capital;
  - 1.4 issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital;
  - 1.5 make any borrowing [other than from its bankers in the ordinary and usual course of business] and it shall ensure that its banking facilities do not enable it to have more than £[●] in aggregate borrowed at any one time;
  - 1.6 apply for the listing or trading of any shares or debt securities on any stock exchange or market;
  - 1.7 pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent);
  - 1.8 engage in any business other than [the Business] or defray any monies other than in good faith for the purposes of or in connection with the carrying on of [the Business];
  - 1.9 form any subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not);
  - 1.10 close down any business operation or dispose of or dilute its interest in any of its subsidiaries for the time being;
  - 1.11 amalgamate or merge with any other company or business undertaking;
  - 1.12 alter its name or registered office;
  - 1.13 enter into any transaction or arrangement of any nature whatsoever with any of the directors or any person who is "connected" (within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010) to the Shareholder's

directors whether or not any other person shall be party to such transaction or arrangement;

- 1.14 enter into any commitment by way of a transaction or series of related transactions (including without limitation any leasing transaction) which would involve the company in the payment or receipt of consideration having an aggregate value in excess of £[●];
- 1.15 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms;
- 1.16 give notice of termination of any arrangements, contracts or transactions which are of a material nature in the context of its business, or materially vary any such arrangements, contracts or transactions;
- 1.17 without prejudice to any other provision of this clause:
  - 1.17.1 enter into, as lessor or as lessee, any operating lease (as defined in Statement of Standard Accounting Practice 21) for a duration exceeding [five] years or involving aggregate premium and annual rental payments in excess of £[●];
  - 1.17.2 grant any rights (by licence or otherwise) in or over any intellectual property owned or used by the company;
- 1.18 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:
  - 1.18.1 liens arising in the ordinary course of business;
  - 1.18.2 any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business];
- 1.19 adopt or amend its Business Plan, or enter into any contract or commitment not provided for in the Business Plan under which it may incur costs in excess of £[●], or which may not be fulfilled or completed within the period of [one year];
- 1.20 change either its auditors or its financial year end;
- 1.21 make or permit to be made any [material] change in the accounting policies and principles adopted by the company in the preparation of its audited [and management] accounts [except as may be required to ensure compliance with relevant accounting standards under the Companies Act 2006 or any other generally accepted accounting principles in the United Kingdom];
- 1.22 declare or pay any dividend that exceeds in any year [●]% of its post-tax distributable profits as shown by the audited accounts for that year, or make any other distribution (by way of capitalisation, repayment or in any other manner) out of its distributable profits or any of its reserves;

- 1.23 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;
- 1.24 give any guarantee, suretyship or indemnity to secure the liability of any person or assume the obligations of any person;
- 1.25 open or close any bank account;
- 1.26 alter any mandate given to the company's bankers relating to any matter concerning the operation of the company's bank accounts other than by the substitution of any person nominated as a signatory by the party entitled to make such nomination;
- 1.27 change its bankers;
- 1.28 factor or assign any of the book debts of the company;
- 1.29 appoint any agent or other intermediary to conduct any of the company's business;
- 1.30 adopt or amend any standard terms of business (including prices) on which the company is prepared to provide goods or services to third parties;
- 1.31 establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors, officers or employees;
- 1.32 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;
- 1.33 dismiss any director, officer or employee in circumstances in which it incurs or agrees to bear redundancy or other costs in excess of £[●] in total;
- 1.34 agree to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any officer of or consultant to the company at a rate in excess of £[●] per annum or increase the remuneration of any such person to a rate in excess of £[●] per annum;
- 1.35 enter into or vary any contract of employment providing for the payment of remuneration (including pension and other benefits) in excess of a rate of £[●] per annum or increase the remuneration of any staff (including pension and other benefits) to a rate in excess of £[●] per annum;
- 1.36 institute, settle or compromise any [material] legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the company or submit to arbitration or alternative dispute resolution any dispute involving the company;

1.37 make any agreement with any revenue or tax authorities or make any claim, disclaimer, election or consent exceeding £[●] for tax purposes in relation to the company or its business.