

Appendix 2 - Matters reserved for shareholder approval

1.1 The matters listed below shall not be carried out without the prior written consent of all shareholders at the relevant time and each shareholder shall use their/its respective rights and powers to procure, so far as legally able, that no such matter is carried out with regard to the Company without the prior written consent of all shareholders:

1.1.1 vary in any respect the articles of association or the rights attaching to any shares; or

1.1.2 grant any option or other interest (in the form of convertible securities or in any other form) over or in the share capital, redeem or purchase any of its own shares or effect any other reorganisation of share capital; or

1.1.3 permit the registration of any person as the holder of shares other than Medway Council; or

1.1.4 issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital; or

1.1.5 make any borrowing other than from bankers, reputable financial institutes and any public body in the ordinary and usual course of business; or

1.1.6 apply for the listing or trading of any shares or debt securities on any stock exchange or market; or

1.1.7 pass any resolution for its winding up (unless it has become insolvent) or present any petition for its administration; or

1.1.8 engage in any business other than as provided in or permitted by the annual Business Plan; or

1.1.9 endorse the Business Plan or amendments to the Business Plan, or enter into any contract or commitment not provided for in the Business Plan or carry out any activity that is outside of the usual course of business provided for in the Business Plan; or

1.1.10 form any subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not); or

1.1.11 close down any business operation or dispose of or dilute its interest in any of its subsidiaries for the time being; or

1.1.12 amalgamate or merge with any other company or business undertaking; or

1.1.13 enter into any transaction or arrangement of any nature whatsoever with any of the directors or any person who is connected to any of the directors (as defined in section 252 of the Act); or

1.1.14 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms; or

1.1.15 give notice of termination of any arrangements, contracts or transactions of a material nature outside the normal course of its business or materially vary any such arrangements, contracts or transactions; or

1.1.16 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; or

1.1.17 declare or pay any dividend; or

1.1.18 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; or

1.1.19 factor or assign any of the book debts of the Company; or

1.1.20 appoint any agent or other intermediary to conduct any of the Company's business operations; or

1.1.21 establish or amend any profit-sharing, share option, bonus or other incentive scheme of any nature for directors, officers or employees otherwise than provided for in the Business Plan; or

1.1.22 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 otherwise than provided for in the Business Plan; or

1.1.23 appoint or remove any director.