

DATED

24<sup>th</sup> May

2018

THE COUNCIL OF THE CITY OF COVENTRY

THE METROPOLITAN BOROUGH OF SOLIHULL

THE COVENTRY AND SOLIHULL WASTE DISPOSAL COMPANY LIMITED

WARWICKSHIRE COUNTY COUNCIL

AND

LEICESTERSHIRE COUNTY COUNCIL

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**SUPPLEMENTAL SHAREHOLDERS' AGREEMENT**

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**THIS AGREEMENT is dated**

**24<sup>th</sup> May**

**2018**

**And is made BETWEEN:**

- (1) The Council of the City of Coventry** of the Council House, Coventry, CV1 5RR (“Coventry”)
- (2) The Metropolitan Borough of Solihull** of the Council House, Manor Square, Solihull, B91 3QB (“Solihull”)
- (3) The Coventry and Solihull Waste Disposal Company Limited** (registered in England number 2690488) having its registered office at Bar Road, Coventry, CV3 4AN (the “Company”)
- (4) Warwickshire County Council** of Shire Hall, Warwick, CV34 4RR (“Warwickshire”)
- (5) Leicestershire County Council** of County Hall, Glenfield, Leicester LE3 8RA (“Leicestershire”)

Together referred to as “the parties”

**WHEREAS:**

- (1) Pursuant to a direction of the Secretary of State for the Environment in exercise of his powers under section 32(2) and paragraphs 4 and 6(1) of Schedule 2 to the Environmental Protection Act 1990, On 24 February 1992 Coventry and Solihull formed the Company to undertake waste disposal functions;
- (2) Coventry, Solihull, Warwickshire and the Company have entered into a Shareholders Agreement dated 15 March 1994, as amended by subsequent agreements dated 31 October 1995, 10 June 1999, 17 March 2011 and 3 December 2014 (“the Principal Agreement”);
- (3) Leicestershire shall become a shareholder in the Company from the date at which it is shown as a shareholder in the Company’s register of members/shareholders (the “**Effective Date**”);

(4) The parties have now agreed to vary further the provisions of the Principal Agreement;

**NOW THIS AGREEMENT WITNESSES AS FOLLOWS:**

**1. AMENDMENT OF THE PRINCIPAL AGREEMENT**

The Principal Agreement shall be deemed to be amended with the consent of the parties with effect from the Effective Date as follows.

Parties and Recitals

- 1.1 Add the details of a new party to the Principal Agreement as follows: “Leicestershire County Council of County Hall, Glenfield, Leicester LE3 8RA (hereinafter called “Leicestershire”);
- 1.2 Insert a new recital as follows: (4) The parties have agreed that Leicestershire shall become a shareholder in the Company having an authorised share of £1 (fully paid up);
- 1.3 Renumber the subsequent recital as (5) and after the words “Coventry and Solihull and Warwickshire”, add: “and Leicestershire”

Definitions

- 1.4 Under the definition of “the Shareholders”, after the words “Coventry and Solihull and Warwickshire” add: “and Leicestershire”;
- 1.5 Under the definition of “the Proper Officer” after the words “in the case of Warwickshire County Council the Strategic Director of Resources for the time being thereof” and before the words “(or of such successor positions)”, add: “in the case of Leicestershire County Council the Director of Environment and Transport for the time being thereof”
- 1.6 Under the definition of “A” Ordinary Shares and “B” Ordinary Shares” and “C” Ordinary Shares, in the second sentence, after the word “Warwickshire”, add: “and Leicestershire”
- 1.7 Add a new definition at the end of the definitions section: ““Leicestershire Admission Date” means the date at which Leicestershire becomes a Shareholder of the Company being the date that it is shown as registered in the Company’s register of members/shareholders”

## Clauses of the main body of the Principal Agreement

- 1.8 In clauses 2 (1) and 2 (2) delete all references to “Memorandum and”.
- 1.9 At the end of clause 2 (2) substitute the section in parenthesis with the following text: “(and in the case of Coventry and Solihull and Warwickshire and Leicestershire issued under their respective common seals)”
- 1.10 After the end of clause 5.2, add a new clause: “5.3 On the Leicestershire Admission Date, Leicestershire and the Company shall enter into a Waste Disposal Contract in the form agreed between them.”
- 1.11 Renumber the existing clause 5.3 as 5.4.
- 1.12 After sub-clause 6 (1) (f) add a new sub-clause 6 (1) (ff): “The Shareholders agree that the Directors appointed by the Shareholders Panel pursuant to Article 21.6 of the Articles and clause 6(1)(f) are appointed collectively by all of the Shareholders”
- 1.13 In sub-clause 6 (1) (k) after the word “Warwickshire” add: “and Leicestershire”
- 1.14 In sub-clause 8 (2) after the word “Warwickshire” add “and Leicestershire”
- 1.15 In sub-clause “8 (3) after the word “Warwickshire” add “and Leicestershire”
- 1.16 In clause 9 delete the word “Memorandum” and insert the word “Articles” in its place.
- 1.17 Delete clause 12 (8).
- 1.18 In sub-clause 14 (2) wherever the word “Warwickshire” appears, add after it: “and Leicestershire”
- 1.19 In sub-clause 15 (1) wherever the word “Warwickshire” appears, add after it: “or Leicestershire”
- 1.20 In sub-clause 18 (2) (c) after the words “Warwickshire County Council”, add: “or Leicestershire County Council”. In sub-clause 18 (2) (i) after “any transaction, arrangement

or agreement with or for the benefit of a shareholder” insert “(excluding a Waste Disposal Agreement with a shareholder)”.

- 1.21 In sub-clause 18 (2) (n) after the words “2003 Act” insert: “)”; and after the words “The Metropolitan Borough of Solihull” add: “and Warwickshire County Council and Leicestershire County Council”
- 1.22 In sub-clause 18 (2) (r) delete the words “Warwickshire County Council”
- 1.23 In sub-clause 26 (2) after the word “Warwickshire” add: “or Leicestershire”
- 1.24 In clause 27 after the word “Warwickshire” in the first line add: “and Leicestershire” and in the last line after the word “Warwickshire” add: “or Leicestershire”
- 1.25 In clause 29 after the word “Warwickshire” in the first line add: “and Leicestershire” and after the word “Warwickshire” in the fifth line add: “and/or Leicestershire”

#### Schedule 1 of the Principal Agreement: Memorandum and Articles of Association

- 1.26 In the title to Schedule 1 delete the words “Memorandum and”
- 1.27 The parties have agreed to vary the Articles of Association to the extent represented by the redline amendments in the document annexed hereto.

#### Schedule 2 of the Principal Agreement: Constitution of the Shareholders' Panel

- 1.28 In sub-paragraph 1 (a) (iii) delete the existing subparagraph and replace with: (iii) one elected member (or their substitute) appointed by Warwickshire as a holder of a Voting “C” Share; and (iv) one elected member (or their substitute) appointed by Leicestershire as a holder of a Voting “C” Share (such elected member shall attend with an officer of Leicestershire at all times)”
- 1.28A Delete existing sub-paragraph 1 (b) and replace with “be quorate in meeting upon four members being present provided that amongst that number there is at least one member (or their substitute) present appointed under each of paragraphs 1 (a) (i), (ii), (iii) and (iv).”
- 1.29 In sub-paragraph 1 (c) after the word “Warwickshire” add: “and Leicestershire”

- 1.30 In sub-paragraph 1 (c) (iii) after the word “Warwickshire” add: “and Leicestershire”
- 1.31 In sub-paragraph 2 after “Voting “B” Shares” in line 2 insert “and Voting “C” Shares” and on line 3 after “(ii)” insert “ and (iii) and (iv)”
- 1.32 In paragraph 5 delete “the matter may be voted on at Shareholders Panel in accordance with the rights conferred by the Voting Shares held by the Shareholders” and replace with “the matter will be voted on at Shareholders Panel in a poll vote with each of Coventry, Solihull, Warwickshire and Leicestershire having such number of votes as they each have Voting Shares and as at the date of this agreement the Shareholders have the following votes/Voting Shares: (a) Coventry – 66 votes; (b) Solihull – 33 votes; (c) Warwickshire – 1 vote; and (d) Leicestershire – 1 vote.”

Schedule 3 of the Principal Agreement

- 1.33 Delete the existing table and replace with:

<b>Shareholder:</b>	<b>Ordinary Shares:</b>	<b>Preference Shares:</b>
<b>Coventry</b>	<b>66 “A” Ordinary Shares</b>	<b>0</b>
<b>Solihull</b>	<b>33 “B” Ordinary Shares</b>	<b>0</b>
<b>Warwickshire</b>	<b>1 “C” Ordinary Share</b>	<b>0</b>
<b>Leicestershire</b>	<b>1 “C” Ordinary Share</b>	<b>0</b>
<b>Total:</b>	<b>101 Ordinary Shares</b>	<b>0 Preference Shares</b>

**2. ADHERENCE TO THE PRINCIPAL AGREEMENT**

- 2.1 In accordance with clauses 20 (4) and 20 (5) of the Principal Agreement, Leicestershire undertakes to Coventry, Solihull, Warwickshire and the Company that with effect from the Effective Date it shall comply with the provisions of the Principal Agreement (as amended by this Agreement) and perform all of its obligations under the Principal Agreement as if Leicestershire had been an original party to the Principal Agreement.

2.2 Coventry, Solihull, Warwickshire and the Company each undertake to all other parties to this Agreement that they shall comply with the Principal Agreement as amended by this Agreement.

2.3 The parties agree that all rights attaching to the "C" ordinary share in the Company now held by Leicestershire shall be exercised by Leicestershire alone.

### **3. GENERAL**

3.1 This Agreement may be executed in any number of counterparts by the different parties to it on separate counterparts, each of which when executed and delivered shall constitute an original, but all of which shall together constitute one and the same instrument.

3.2 Save to the extent expressly varied by the provisions of this Agreement, the Principal Agreement shall remain in full force and effect and shall not be otherwise affected by the execution and delivery of this Agreement.

3.3 The parties agree that clause 11 of the Principal Agreement shall not apply in respect of the allotment of 1 "C" ordinary share that took place on 9<sup>th</sup> May 2018.

**IN WITNESS** whereof the parties have respectively executed this deed the day and year first before written.

**THE COMMON SEAL OF** )  
**THE COUNCIL OF THE CITY OF COVENTRY** )  
Was hereunto affixed )  
In the presence of: )

**THE COMMON SEAL OF** )  
**THE METROPOLITAN BOROUGH OF SOLIHULL** )  
Was hereunto affixed )  
In the presence of: )

**THE COMMON SEAL OF** )  
**WARWICKSHIRE COUNTY COUNCIL** )  
Was hereunto affixed )  
In the presence of: )

**THE COMMON SEAL OF** )  
**LEICESTERSHIRE COUNTY COUNCIL** )  
Was hereunto affixed )  
In the presence of: )



EXECUTED AS A **DEED** )  
FOR AND ON BEHALF OF )  
**THE COVENTRY AND SOLIHULL** )  
**WASTE DISPOSAL COMPANY LIMITED** )

.....Director

.....Director