



Oversight and Governance

Chief Executive's Department

Plymouth City Council

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Delegated Decisions

Delegated Executive/Officer Decisions

Delegated Executive and Officer decisions that are published are available at the following link - <https://tinyurl.com/ms6umor>

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Please note – urgent decisions and non-key Council Officer decisions cannot be called in. Copies of the decisions together with background reports are available for viewing as follows:

- on the Council's Intranet Site at <https://modgov/mgDelegatedDecisions.aspx>
- on the Council's website at <https://tinyurl.com/jhnax4e>

The decision detailed below may be implemented immediately.

Delegated Decisions

**I. Council Officer Decision - Anthony Payne, Strategic Director
for Place:**

- I.I. Setting up of the Plymouth and South Devon Freeport
Company
- (Pages 1 - 60)

EXECUTIVE DECISION

made by a Council Officer



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL COUNCIL OFFICER

Executive Decision Reference Number – COD31 21/22

Decision	
1	Title of decision: Setting up of the Plymouth and South Devon Freeport Company
2	Decision maker (Council Officer name and job title): Anthony Payne, Strategic Director for Place
3	Report author and contact details: Kevin McKenzie, Deputy SRO Plymouth and South Devon Freeport. T +441752304318 E kevin.mckenzie@plymouth.gov.uk
4a	Decision to be taken: <p>With due diligence having been undertaken and with the agreement of the Section 151 officer and Head of Legal Services, to: -</p> <ol style="list-style-type: none"> To establish the Plymouth and South Devon Freeport Company as a Company Limited by Guarantee ("The Company") with Plymouth City Council, Devon County Council and South Hams District Council as its founding members. To agree the entering in to of the documents relating to the establishment of the Company. Such documents include, but are not limited to the Members Agreement, the Freeport landowner agreements, including those relating to Oceansgate and the South Yard Tax site, as may be required in pursuance of the Freeport Objectives and to discharge our obligations as the accountable body. To note that Emma Jackman, Head of Legal Services, is authorised to sign the agreements as approved under 2 above, on behalf of the Council in the Council's scheme of delegation and will therefore be the authorised signatory.
4b	Reference number of original executive decision or date of original committee meeting where delegation was made: L47 21/22
5	Reasons for decision: <p>An executive decision delegating authority to the Strategic Director for Place was required so that we could: -</p> <ul style="list-style-type: none"> Meet timelines set by government linked to the lead in time for laying legislation.

	<ul style="list-style-type: none"> • Approve the key principles and allow the team to complete the legal work necessary to set up the Freeport Company. • Conclude negotiations with landowners and their legal representatives • Enable all three local authorities' partners to take decisions in common before the deadline. • Take a decision before the pre-election period • The conditions applied to the delegated authority are now met;- • The Full Business Case has now been submitted under delegated authority c/f COD25 21/22. • All three local authority partners have now taken democratic decisions • The S.151 Officer and Head of Legal Services are satisfied that due diligence has been given.
6	<p>Alternative options considered and rejected:</p> <ul style="list-style-type: none"> • Relevant alternative options considered and rejected in the Executive Decision included. • Various alternative company models were considered and advice taken both internally and through government appointed consultants. The Company Limited by Guarantee emerged as the most suitable model. This preference was stress tested by Womble Bond Dickinson, their report concluding that this model is fit for purpose was appended to the Leader's executive decision. • The Department of Levelling Up Homes and Communities have imposed a condition that we must deliver signed Landowner Agreements by the 23rd May 2022 to enable Statutory Instruments establishing our Freeport Tax sites to be laid before parliament.
7	<p>Financial implications and risks:</p> <p>1. Associated with this decision.</p> <ul style="list-style-type: none"> ▪ The legal costs associated with establishing the Freeport Company and transacting the Landowner Agreements will be met from our Freeport Revenue Support Grant. ▪ The Landowner Agreements will commit the Landowners to providing a revenue stream which is sufficient to meet the known and projected revenue requirements of the Freeport operating model for the first 5 years of its operation. <p>2. Associated with the Freeport and set out in the Executive Decision.</p> <p>The MTFP contains some resources in the initial years of the scheme both for revenue and capital. In the medium term there are proposals to engage in wider corporate borrowing, these to be funded from retained NNDR which will be received by The Council as Section 31 grant. Clearly The Council and Partners will need to ensure that available resources are not over committed at that point in the overall scheme.</p> <ul style="list-style-type: none"> ▪ The anticipated uplift in NNDR income from the areas designated as Freeport Tax and Customs sites in the Full Business Case will be retained and ring fenced for a period of 25 years, ▪ Retained NNDR and rental income and legacy from Oceansgate phase 1 and 2 will be directed in the first instance to service borrowing, and, only in the event of a surplus, for future investment in the Freeport as may be agreed by the Local Authority partners.

- The Medium Term Financial Plan already makes some provision for financial support.
- Revenue funding will be required to support the establishment of 4.5 new posts and other Freeport running costs.
- For the first five years this will be generated through fees and charges levied on landowners, supplemented with direct grant support from central government.
- A successful Levelling Up Fund to support the Freeport is anticipated.


There are risks but we have carefully assessed them and we are confident that they can be managed. The rewards are proportionately large, a vibrant economy delivering quality jobs, and new skills provision to ensure that residents in our most left behind wards can benefit.

The governance arrangements are designed to deal effectively with these risks. The principle financial risks were set out in a high level risk assessment in the body of the report which accompanied the executive decision. All project related risks, including financial risks, are reviewed regularly by the Freeport development team to ensure they are appropriately mitigated.

8	Is the decision a Key Decision? (please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:
			x	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total
			x	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million
			x	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.
8b	If yes, date of publication of the notice in the Forward Plan of Key Decisions			
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:	We have set out a number of strategic objectives in the Plymouth Plan that a free port could help us to achieve. SO2 - Strengthening Plymouth's role in the region SO3 - Delivering the international city SO11 – Delivering high quality development SO12 – Delivering infrastructure and investment The Freeport could also assist us to deliver priorities in our Corporate Plan: - <ul style="list-style-type: none"> ▪ Strongly supports the delivery of economic growth that benefits as many people as possible. Strongly supports the delivery of quality jobs and skills.		

10	Please specify any direct environmental implications of the decision (carbon impact)	Our Full Business Case sets out our ambitious plans to ensure that the Freeport contributes positively to our Climate Emergency Action Plan setting an overarching target that is consistent with our commitment to achieve a carbon net zero position by 2030.		
Urgent decisions				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact Democratic Support for advice)
		No	x	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair signature:		Date	
	Scrutiny Committee name:			
	Print Name:			
Consultation				
13a	Are any other Cabinet members' portfolios affected by the decision?	Yes	x	
		No		(If no go to section 14)
13b	Which other Cabinet member's portfolio is affected by the decision?	Freeport impacts will be wide ranging and are likely to affect all Cabinet member's portfolios.		
13c	Date Cabinet member consulted	The report underpinning the Executive Decision was discussed with all Cabinet members on 15 March 2022.		
14	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes		If yes, please discuss with the Monitoring Officer
		No	x	
15	Which Corporate Management Team member has been consulted?	Name	Anthony Payne	
		Job title	Strategic Director for Place	
		Date consulted	23 February 2022	
Sign-off				
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS145 21/22	
		Finance (mandatory)	pl.22.23.26	
		Legal (mandatory)	MS/2/12.05.22/3607 2	

		Human Resources (if applicable)							
		Corporate property (if applicable)							
		Procurement (if applicable)							
Appendices									
17	Ref.	Title of appendix							
	A	Equalities Impact Assessment							
	B	Plymouth Freeport Company Ltd - Memorandum and Articles of Association							
	C	Plymouth Freeport Company Ltd – Members Agreement							
	D	Leaders Executive Decision L47 21/22 – Plymouth and South Devon Freeport							
Confidential/exempt information									
18a	Do you need to include any confidential/exempt information?		Yes		If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below.				
		No	x						
			Exemption Paragraph Number						
			1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title:								
Background Papers									
19	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.								
Title of background paper(s)			Exemption Paragraph Number						
			1	2	3	4	5	6	7
Plymouth and South Devon Freeport – Full Business Case					x	x			
Landowner Agreements					x	x			
Council Officer Signature									
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further								

	details please see the EIA attached.		
Signature		Date of decision	20 May 2022
Print Name	Anthony Payne		

Plymouth and South Devon Freeport (Part I Report)

1. Plymouth and South Devon Freeport Company Ltd

- 1.1 The Plymouth and South Devon Freeport will be established as a Company Limited by Guarantee and will have the following features and principles: -
- A members steering group made up of each of the three local authority partners will provide strategic oversight and ensure alignment with the emerging County deal.
 - An independent board of directors with a chair from the private sector to provide clear evidence of private sector leadership, we will set out the process through which the chair will be appointed in the scheme of delegation.
- 1.2 The Freeport Company Key Governing Documents – include:-
- Memorandum and Articles of Association - setting out the remit and roles of the Directors, a scheme of delegation and matters reserved to the founding members;
 - A Members' Agreement – which will bind the three Local Authorities to perform their functions and roles, including the disbursement of seed capital from PCC as the Accountable Body to the Local Authority Partners, their engagement with the Freeport Company based on the key principle of a partnership of equals where decision making requires unanimous agreement;
 - Landowners' Agreements - binding the landowners to perform their functions and roles and their engagement with the Freeport Company;
 - An Annual Delivery Plan and budget – proposed by the Freeport Company, to be agreed and signed off by the Members in accordance with their reserved matters and approved by the Board of Directors the management of the Freeport, employment of staff, delivering the Freeport business case and providing agreed shared services.

2. Landowner Agreements

- 2.1 We are required by the Department of Levelling Up Homes and Communities to submit Landowners Agreements covering our proposed tax sites by the 23rd May 2022.
- 2.2 These agreements are designed to ensure we have adequate control to enable us to deliver the Freeport. As we have set out in our Full Business Case. They are highly commercially sensitive documents and not suitable for publication.

3. Recommendations

- 3.1 It is recommended that the Strategic Director for Place exercises the authority delegate to him by the Leader in the Executive Decision ref L47 21/22.
- 3.2 With due diligence having been undertaken and with the agreement of the Section 151 officer and Head of Legal Services, to: -
- To establish the Plymouth and South Devon Freeport Company as a Company Limited by Guarantee ("The Company") with Plymouth City Council, Devon County Council and South Hams District Council as its founding members.
 - To agree the entering in to of the documents relating to the establishment of the Company. Such documents include, but are not limited to the Members Agreement, the Freeport landowner agreements, including those relating to Oceansgate and the South Yard Tax site, as may be required in pursuance of the Freeport Objectives and to discharge our obligations as the accountable body.
 - To note that Emma Jackman, Head of Legal Services, is authorised to sign the agreements as approved under 2 above, on behalf of the Council in the Council's scheme of delegation and will therefore be the authorised signatory.

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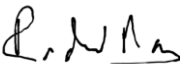
EQUALITY IMPACT ASSESSMENT

Plymouth and South Devon Freeport



STAGE I: WHAT IS BEING ASSESSED AND BY WHOM?

What is being assessed - including a brief description of aims and objectives?	<p>Introduction</p> <p>The Plymouth and South Devon Freeport is committed to equality and diversity and to ensuring that residents feel the benefit of this initiative. This high-level equality impact assessment explores the potential impacts for people with protected characteristics.</p> <p>The Equality Impact Assessment (EIA) also considers wider social impact and inequality such as access to employment and skills development in areas of deprivation. The Freeport is committed to ensuring that a minimum of 10 per cent of the jobs created by the Freeport are directed towards our most deprived areas. The EIA has also considered the wider social impacts which the Freeport may have in the Plymouth, South Hams and Devon areas.</p> <p>The shadow board have adopted the Equality and Diversity Statement and are committed to ensuring that residents and local people, especially those from deprived areas and marginalised communities, are able to reap the benefits of the Freeport. This EIA builds upon the commitment made by the shadow Freeport board to mainstream equality and diversity within the Plymouth and South Devon Freeport.</p> <p>To minimise risks from the Freeport, a security and illicit risk assessment has been carried out separately to this EIA. The security and illicit risk assessment will be monitored separately and covers potential issues such as modern slavery and human trafficking.</p> <p>Adverse environmental impacts such as reduced air quality and noise and disturbance identified in this equality impact assessment will be fed into our Freeport environmental impact assessment to ensure that impacts that we have identified which may adversely affect groups with protected characteristics will be appropriately mitigated.</p> <p>Where additional formal decisions are required to inform the delivery and development of the Plymouth and South Devon Freeport, an EIA will be completed where required in line with the Council’s usual EIA process.</p> <p>This EIA will be periodically reviewed and monitored within the wider Plymouth and South Devon Freeport monitoring and evaluation framework.</p>
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Author	Kevin McKenzie, Deputy SRO, Plymouth and South Devon Freeport
Department and service	Policy and Intelligence Team
Date of assessment	August 2021 and updated March 2022
Approved by	Richard May – SRO, Plymouth and South Devon Freeport 
Date of approval	15 March 2022

STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information	Any adverse impact	Actions	Positive impacts
Age	<p>Plymouth The population of Plymouth in 2020 was 262,800, of which 165,900 63.1 per cent were aged between 16 and 64.</p> <p>Devon The population of Devon County Council area in 2020 was 810,700, of which 470,900 (58.1 per cent) were aged between 16 and 64.</p>	<p>Noise and disturbance – impacts Evidence has shown that both younger and older people are likely to have their physical and mental wellbeing negatively impacted by increased noise. For young people, for example, increased noise may impact on their wellbeing and ability to meet their educational potential. For older people noise disturbances can cause increased anxiety and exacerbate conditions such as dementia and tinnitus.</p> <p>Noise and disturbance – Plymouth Port The Freeport may increase the number of ships using the Plymouth Port and it is likely that this will increase noise and disturbance.</p> <p>Noise and disturbance – Increased traffic</p>	<p>Noise and disturbance – Plymouth Port As the port needs to operate at the time that the tide allows, it is not possible to mitigate against this impact given its nature. Although there is the potential for the increase in freight traffic to increase noise and disturbance for local residents, the parts of the Port that will be used are largely away from residential areas. The additional tax/customs sites will be on under-developed land, thus minimising impact to the extent that is</p>	The Freeport will provide extensive employment and educational opportunities.

<p>The Freeport will increase the amount of traffic on Plymouth roads, especially on roads near to the Freeport and within the Freeport itself.</p> <p>A new road link is planned in response to increased demand - spine roads are going to connect to the A38 to improve connectivity.</p> <p>Noise and disturbance – construction</p> <p>It is likely that the Freeport will result in an increase in noise from both construction and business as usual. Increases in noise have been linked to poorer health outcomes including negatively effecting both mental and physical health.</p> <p>Emissions</p> <p>Poor air quality and pollution has negative consequences for health and the local environment. In particular, a high quantity of particulate matter is linked to poorer health outcomes including negatively effecting both mental and physical health. This negative impact is more likely to effect young people as their lungs are still developing.</p> <p>Emissions – Plymouth Port</p> <p>The Freeport aims to significantly increase the volume of freight through the Port of Plymouth. Increasing the volume of freight brought in through the Port of Plymouth, rather than more distant UK ports, will reduce national emissions from the transport sector, as well as reducing congestion on trunk roads elsewhere.</p> <p>Emissions – Freeport (onsite)</p>	<p>possible. South Yard is in close proximity to a local school and the Sherford employment zone is part of the wider Sherford village development. Langage, the largest site where most of the construction is going to take place, is greenfield and is not directly adjacent to residential area.</p> <p>Noise and disturbance – Increased traffic</p> <p>We will consider the possibility to explore noise monitoring and reduction initiatives in the vicinity if required. Any noise complaints will be monitored for trends.</p> <p>Our approach will require buildings to be built using sustainable materials, be well insulated and have renewables (such as solar or heat pumps) integrated. All construction will be delivered in line with local guidance to ensure minimal disruption to the local area.</p> <p>Within the Freeport we will use a combination of electric and hydrogen powered vehicles to move cargo between the port and</p>
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		The increase in freight traffic and associated traffic within the Freeport will likely increase local traffic and thus local emissions.	customs sites. There is already and EV charge point at Oceansgate and by 2025, all support vehicles will be low carbon. Charging infrastructure will also be put in place to encourage wider port users (including RORO traffic) to use low carbon fuels. Emissions from commuter transport will be minimised through green transport initiatives, which will include public transport options (including park and ride) as well as walking and cycling, which build on existing infrastructure such as cycle ways.	
Disability	<p>Plymouth</p> <p>10 per cent of the Plymouth population have their day-to-day activities limited a lot by a long-term health problem or disability (2011 Census).</p> <p>The gap in the employment rate between those with long term health conditions and the overall employment rate was 13.7 per cent in Plymouth compared to 10.6 per cent for England.</p> <p>Devon</p>	<p>Noise and disturbance</p> <p>Evidence has shown that people with disabilities and underlying health conditions are more likely to have their physical and mental wellbeing negatively impacted by increased noise. For example, one study found that people living in areas with high levels of traffic noise were 25 per cent more likely than those living in quieter areas to develop depression.</p> <p>Noise and disturbance – Plymouth Port</p> <p>The Freeport will increase the number of ships using the Plymouth Port and it is likely that this will increase noise and disturbance.</p> <p>Noise and disturbance – Increased traffic</p>	<p>Noise and disturbance – Plymouth Port</p> <p>As the port needs to operate at the time that the tide allows, it is not possible to mitigate against this impact given its nature. Although there is the potential for the increase in freight traffic to increase noise and disturbance for local residents, the parts of the Port that will be used are largely away from residential areas. The additional tax/customs sites will be on under-developed land, thus minimising impact</p>	<p>The sites are the optimal choice for the area and offer the best value for money because they:</p> <ul style="list-style-type: none"> Are located in identified growth areas. Are already fully or partially serviced, thus reducing infrastructure costs. Llangage also has discounted hot water, high pressure gas and electricity from the adjacent power station and green energy from the adjoining solar park.

	<p>8.6 per cent of people in the Devon County Council area say their day-to-day activities are limited a lot by a long-term health problem or disability (2011 Census).</p> <p>The Gap in the employment rate between those with long term health conditions and the overall employment rate was 7.2 per cent in Devon. The value for England is 10.6 per cent.</p>	<p>The Freeport will increase the amount of traffic on Plymouth roads, especially on roads near to the Freeport and within the Freeport itself.</p> <p>A new road link is planned in response to increased demand - spine roads are going to connect to the A38 to improve connectivity.</p> <p>Noise and disturbance – construction</p> <p>It is likely that the Freeport will result in an increase in noise from both construction and business as usual. Increases in noise have been linked to poorer health outcomes including negatively effecting both mental and physical health. This negative impact is more likely to be felt by people with disabilities, however this is not limited to this cohort</p> <p>Emissions</p> <p>Poor air quality and pollution has negative consequences for health and the local environment. In particular, a high quantity of particulate matter is linked to poorer health outcomes including negatively effecting both mental and physical health. This negative impact is more likely for people with disabilities due to the increased likelihood that they may have an underlying health condition related to their breathing or lungs.</p> <p>Emissions – Plymouth Port</p> <p>The Freeport aims to significantly increase the volume of freight through the Port of Plymouth. Increasing the volume of freight brought in through the Port of Plymouth, rather than more distant UK ports, will reduce national emissions from the transport sector, as well as reducing congestion on trunk roads elsewhere.</p>	<p>to the extent that is possible. South Yard is in close proximity to a local school and the Sherford employment zone is part of the wider Sherford village development.</p> <p>Langage, the largest site where most of the construction is going to take place, is greenfield and is not directly adjacent to residential area.</p> <p>Noise and disturbance – Increased traffic</p> <p>We will consider the possibility to explore noise monitoring and reduction initiatives in the vicinity if required. Any noise complaints will be monitored for trends.</p> <p>Our approach will require buildings to be built using sustainable materials, be well insulated and have renewables (such as solar or heat pumps) integrated.</p> <p>All construction will be delivered in line with local guidance to ensure minimal disruption to the local area.</p> <p>Within the Freeport we will use a combination of electric and hydrogen</p>	<ul style="list-style-type: none"> ▪ Have excellent road connectivity, minimising the need for large-scale transport costs. ▪ Enable us to deliver the Freeport at pace. <p>The employment and skills plan will include engagement with the Department for Work and Pensions and other partners working with people with disabilities to ensure they are able to access the benefits of the Freeport. Engagement will also take place with local voluntary and community sector partners working with people with disabilities to raise awareness of the employment and education offer available.</p>
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		<p>Emissions – Freeport (onsite)</p> <p>The increase in freight traffic and associated traffic within the Freeport will likely increase local traffic and thus local emissions.</p> <p>Accessibility</p> <p>The large majority of buildings within the Freeport will be closed to members of the public, however we recognise that accessibility is still important. Where buildings are older, guidance will be taken from the appropriate colleagues and heritage organisation when appropriate</p>	<p>powered vehicles to move cargo between the port and customs sites. There is already an EV charge point at Oceansgate and by 2025, all support vehicles will be low carbon. Charging infrastructure will also be put in place to encourage wider port users (including RORO traffic) to use low carbon fuels. Emissions from commuter transport will be minimised through green transport initiatives, which will include public transport options (including park and ride) as well as walking and cycling, which build on existing infrastructure such as cycle ways.</p>	
Religion or belief	<p>Plymouth</p> <p>Christianity is the biggest faith in the city with more than 58 per cent of the population (148,917). 32.9 per cent (84,326) of the Plymouth population stated they had no religion (2011 Census).</p> <p>Those who identified as Muslim was just under 1 per cent while Hindu, Buddhist, Jewish or Sikh combined totalled less than 1 per cent (2011 Census).</p> <p>Devon</p>	<p>No adverse impacts are anticipated.</p>	<p>Not applicable</p>	<p>Not applicable</p>

	61.5 per cent of the population identified their religion as Christian making it the biggest faith. 1.6 per cent identified as having another religion including Buddhists, Muslims, Hindus and Jews. 28.5 per cent of people stated that they have no religion or belief.			
Sex - including marriage, pregnancy and maternity	<p>50.2 per cent of the population in Plymouth are women and 49.8 per cent are men. 51.4 per cent of the population in Devon are women and 48.6 per cent are men.</p> <p>The employment rate in Plymouth shows that 83 per cent of working-age males are employed whereas 72 percent of working-age females are employed.</p> <p>The employment rate in Devon shows that 77.9 per cent of working-age males are employed compared to 73.4 per cent of working-age females.</p> <p>The rate for the whole of the UK shows a similar pattern with a higher working-age employment rate for males than females.</p> <p>The proportion of men working in the manufacturing sector in Plymouth is currently</p>	No adverse impacts are anticipated.	<p>The employment and skills plan will include engagement with the Department for Work and Pensions, universities, schools and other partners working with young women and girls to promote STEM career and education pathways.</p> <p>Engagement will also take place with local voluntary and community sector partners working with women and girls to raise awareness of the employment and education offer available and communication materials will be shared.</p>	<p>The Freeport will provide extensive opportunities for females to gain experience in STEM subjects through apprenticeships, internships and jobs. Encouraging female representation in STEM subjects (and employment in high paying jobs) will likely positively impact any gender pay gaps within companies.</p>

	<p>higher than the proportion of women (19.1 per cent, compared to 6.9 per cent).</p> <p>According to recent UCAS data provided by HESA, 35 per cent of STEM students in higher education in the UK are women.</p> <p>The science, technology, engineering and mathematics (STEM) sector is continuing to grow; however, females continue to be underrepresented in STEM at both employment and education level. Nationally, 23 per cent of the people working in science, technology, engineering and mathematics roles in the UK were female, while only 15.8 per cent of the current generation of engineering and technology graduates were female (PWC Women in Technology 2017).</p>			
Gender reassignment	<p>There are no official estimates for gender reassignment. However, the Gender Identity Research and Education Service (GIRES) estimate around 1 per cent of the population has some form of gender variance and about 0.2 per cent may undergo gender reassignment.</p>	<p>No adverse impacts are anticipated.</p>	<p>Not applicable.</p>	<p>Not applicable</p>
Race	<p>Plymouth</p>	<p>No adverse impacts are anticipated.</p>	<p>The employment and skills plan will include</p>	<p>The Freeport Gateway Policy requires a commitment to our</p>

	<p>92.9 per cent of Plymouth's population identify as White British. 7.1 per cent identify as Black, Asian or Minority Ethnic (BAME).</p> <p>The employment rate of working-age people who identify as being from an ethnic minority background in Plymouth is 73.3 per cent. This is higher than the rate for the whole of the UK at 66.8 per cent.</p> <p>Devon</p> <p>94.9 per cent of Devon's population identify as White British. 2.5 per cent identify as White Other and 2.6 per cent identify as Black, Asian, or another minority ethnic group.</p> <p>The employment rate of working-age people who identify as being from an ethnic minority background in Devon is 80.6 per cent.</p>		<p>engagement with the Department for Work and Pensions, universities, schools and other partners working with people from Black, Asian and minority ethnic backgrounds to promote career and education pathways.</p> <p>Engagement will also take place with local voluntary and community sector partners working with this cohort and in particular refugees and asylum seekers to raise awareness of the employment and education offer available.</p> <p>Key information within the Freeport will be available in different languages, recognising the diversity of people using and passing through the Freeport.</p> <p>Staff employed by the Freeport will be trained in cultural awareness and cultural accessibility.</p>	Freeport vision which encompasses a commit to promote good employment practices.
Sexual orientation - including civil partnership	There are no official estimates for sexual orientation at a local level.	No adverse impacts are anticipated.	Not applicable	Not applicable

SOCIO AND ECONOMIC IMPACTS

	Evidence and information	Any negative impact	Actions (including timescale and lead)	Positive impacts
Deprivation	<p>Plymouth remains within the 20 per cent most deprived local authority districts in England on the Index of Multiple Deprivation (IMD) with:</p> <ul style="list-style-type: none"> ▪ 28 Lower Super Output Areas (LSOAs) in the most deprived 10 per cent in England ▪ Three LSOAs within the most deprived 3 per cent in England; and, ▪ Two LSOAs within the most deprived 1 per cent in England. <p>Plymouth's most deprived LSOAs (which are amongst the most 1 per cent deprived in England) are located in the wards of St Peter and the Waterfront and Devonport. These areas represent some of the city's most entrenched pockets of deprivation and have consistently been amongst the most deprived neighbourhoods in England since 2007.</p> <p>Dartmouth Townstall area is the one area within South Hams that is included in the</p>	<p>Due to the skills gap in Plymouth, which is more evident in deprived areas, there is a risk that people from deprived areas may not feel the benefits of the Freeport due to a lack of education and opportunity.</p>	<p>An employment and skills plan will help to ensure that people from protected and disadvantaged groups are able to access all opportunities within the Freeport. This will include a targeted skills/jobs brokerage programme to link people from deprived communities with opportunities. The Marine Skills Academy will assist with the development of apprenticeship and internship opportunities through and during construction phases. A local job club will be developed in the vicinity of South Yard in partnership with local communities to ensure that local residents have access to new skills and employment opportunities. Communications and engagement plans will be developed to raise awareness of these initiatives.</p>	<p>We are keen to ensure that people from Plymouth's most deprived areas benefit from the Freeport. Businesses will be encouraged to sign up via the gateway criteria to initiatives which enhance social mobility.</p> <p>Devonport, the location of the Freeport has one of the lowest cohesion scores in the city. There is strong evidence which shows that reducing deprivation through employment and education can improve cohesion. It is thus likely that the Freeport will indirectly improve the cohesion score in Devonport and in doing so, contribute towards meeting one of Plymouth City Councils equality objectives - Plymouth is a city where people from different backgrounds get along well.</p>

	most deprived 20 per cent of areas nationally for overall deprivation. In addition, within South Hams South Brent is within the most deprived 20 per cent of areas nationally for income deprivation affecting children.			
Employment	<p>Gross weekly pay for full-time workers in Plymouth for 2021 stood at £542.4. This is lower than both the gross weekly pay for Great Britain (£612.8) and the South West (£572.5) (NOMIS, 2021).</p> <p>Gross weekly full-time pay for Devon (as a whole) was £566.9. This is lower than both the gross weekly pay for Great Britain (£613.1) and the South West (£577.3) (NOMIS, 2021).</p> <p>Unemployment in Plymouth has been higher than the national average for the last five years (Annual Population Survey) and in Devonport adjacent to the South yard tax site it is double the City average.</p> <p>Claimant numbers remain higher than pre pandemic across the Freeport Area. The employment prospects of both younger and older people in our area have been negatively impacted by the pandemic. The Universal Credit claimant</p>	<p>Workers' rights Although there are concerns for workers' rights within the Freeport, there are no differences between employment rights between those employed within the Freeport and those outside of it. There is one exception as employers within the Freeport are given a national insurance holiday for three years employed within the Freeport. We have regularly engaged with trade union representatives.</p> <p>Displacement There is little risk within the city from economic displacement and this includes movement from wealthier areas to more deprived areas and from business moving into the Freeport from outside of its boundaries. This is because there are few benefits for businesses moving into the Freeport from outside the Freeport boundary area.</p>	<p>Employment and skills An employment and skills plan will help to ensure that people from protected and disadvantaged groups are able to access all opportunities within the Freeport. This will include a targeted skills/jobs brokerage programme to link people from deprived communities with opportunities. The Marine Academy will assist with the development of apprenticeship and internship opportunities through and during construction phases.</p> <p>Displacement To mitigate any potential negative impacts the Freeport gateway criteria has a clear policy on moving into the Freeport if not in local area (including wider geography and outer boundary). For example, the Freeport gateway criteria means that businesses cannot relocate to the</p>	<p>Employment and skills The Freeport will increase the number of high-quality well-paid jobs in the city and will provide numerous skills development opportunities.</p>

	<p>count rose by 81 per cent for under 25s and 92 per cent for over 50s from March 2020 to April 2021.</p> <p>In the South Hams the rise was 204 per cent for under 25s and 152 per cent for over 50s in the same period.</p> <p>As the economy begins to recover many will return to work or find new jobs but will face longer term challenges.</p>		<p>Freeport purely to get tax/tariff exemptions.</p> <p>We will further mitigate any potential displacement by putting in place a gateway policy at all our tax sites. Businesses that express interest in the Freeport will need to demonstrate their compliance with the gateway policy.</p>	
Local Services	<p>Plymouth City Council, South Hams District Council and Devon County Council deliver a range of services to local people.</p>	<p>It is not possible to indicate potential impacts on local services until the modelling is complete.</p> <p>It is not anticipated that the Freeport will negatively affect housing availability and it is unlikely that the Freeport will increase demand for local housing. However, the Joint Local Plan identifies housing need until 2030 and based on the assumption of the sites which are being included in the Freeport being developed as employment spaces.</p> <p>Dependent on the numbers of people relocating to Plymouth there may be increased demand for local services such as dentists, primary care services and housing.</p>	<p>The Plymouth Plan topic paper 'Housing need and supply' sets out the strategy for housing provision in the city. The plan works towards supporting the ambitions within the Plymouth Plan of a 'growing city'. The Freeport is one component of the plan to grow the city and its economies.</p>	<p>The Freeport will help to accelerate the Sherford housing development, further enhancing the availability of good quality private housing stock.</p>

2022

Articles of Association

Plymouth and South Devon Freeport Limited ⁽¹⁾

THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
OF

LIMITED (Company)

(adopted by special resolution dated 2022)

1. INTERPRETATION

1.1 In these articles the following words have the following meanings:

Act	the Companies Act 2006 and every statutory modification, replacement or re-enactment of it for the time being in force.
articles	the articles of association of the Company from time to time.
clear days	in relation to the period of a notice, the period excluding the day when the notices is given or deemed to be given and the day of which it is given or on which it is to take effect.
Committee	a committee of the directors.
Companies Acts	the Companies Acts (as defined in section 2 of the Act) insofar as they apply to the Company.
director	a director of the Company.
document	includes, unless otherwise specified, any document sent or supplied in electronic form.
electronic form	has the meaning given in section 1168 of the Companies Act 2006.
hard copy form	has the meaning given in section 1168 of the Companies Act 2006.
in writing and written	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
Local Authority Member	one of Plymouth City Council, Devon County Council and South Hams District Council, together the Local Authority Members
members	the members of the company from time to time, including Local Authority Members and any other class of membership that may be established under Article 4.1.2.
Nominated Director	a director appointed by a Local Authority Member in accordance with Article 9.3.
secretary	the secretary of the Company.

year a calendar year.

1.2 In these articles:

- 1.2.1 words denoting any gender include every gender;
- 1.2.2 the singular includes the plural and vice versa;
- 1.2.3 references to persons include bodies corporate, unincorporated associations, governments, states, partnerships and trusts (in each case, whether or not having separate legal personality);
- 1.2.4 the headings in these articles are for convenience only. They do not affect their meaning;
- 1.2.5 any words or expressions defined in the Act shall bear the same meaning in these articles; and
- 1.2.6 any examples do not restrict the width or meaning of any provision of the articles.

1.3 The Companies (Model Articles) Regulations 2008 (as amended from time to time) shall not apply to the Company.

2. OBJECTS OF THE COMPANY

- 2.1 The objects for which the Company is established are the promotion and delivery, support for the promotion and delivery, of programmes and initiatives which are capable of establishing and maintaining the Plymouth and South Devon Freeport and/or anything ancillary to or related to the Plymouth and South Devon Freeport. **(Objects)**.
- 2.2 The Company has power to do anything within the law that may promote or help to promote the Objects or any of them in any part of the world and to do all such other lawful things which may be considered incidental or conducive to the attainment of the Objects or any of them.
- 2.3 In interpreting this Article 2, the Objects are not to be interpreted narrowly. The widest possible interpretation possible shall be given to them and none of the Objects shall be treated as subordinate or incidental to any of them.

3. LIABILITY OF MEMBERS

- 3.1 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while they are a member or within one year after they cease to be a member for:
 - 3.1.1 payment of the company's debts and liabilities contracted before they cease to be a member;
 - 3.1.2 payment of the costs, charges and expenses of winding up; and
 - 3.1.3 adjustment of the rights of the contributories among themselves.

4. MEMBERS

4.1 General and transfer of Membership

- 4.1.1 The number of members is unlimited.
- 4.1.2 The Local Authority Members may establish different classes of membership and decide their privileges, duties and subscriptions.

4.1.3 Membership of the Company is not transferable except to any successor body or entity of a Local Authority Member.

4.1.4 The Company shall keep a register of members in accordance with the Act.

4.2 Resignation and Removal of Members

4.2.1 A member may resign from the Company with effect from the following 31 March by giving at least ninety clear days' written notice to the Company.

4.2.2 Subject to a permissible transfer under Clause 4.1.3, a person shall automatically cease to be a member if:

- (a) they die or becomes bankrupt or cease to exist;
- (b) any sum due from them or the person who nominated them to the Company has not been paid at the expiry of twelve months after its due date; or
- (c) in the case of a member that is an entity, a resolution is passed or an order is made for its winding up or it is placed in liquidation or it ceases to exist;

4.2.3 If a person ceases to be a member under Article 4.2.1 (other than by reason of death) that person shall be notified in writing to that effect and is not eligible for re-admission as a member unless the directors agree otherwise.

5. GENERAL MEETINGS

5.1 Annual General Meetings

5.1.1 Each year the Company must hold a general meeting as its annual general meeting. The notice calling the meeting must say that the meeting is the annual general meeting.

5.1.2 There must not be a gap of more than 15 months between the date of one annual general meeting and the next. However, so long as the Company holds its first annual general meeting within 18 months of its incorporation, it does not have to hold it in the year of its incorporation or in the following year.

5.1.3 The directors will decide when and where to hold the annual general meeting.

5.2 Other General Meetings

The directors can decide to call a general meeting (other than an annual general meeting) at any time. Such general meetings will also be called in response to a requisition by members under the Act. If the directors do not comply with this, the people making the requisition can call the meeting themselves under the Act.

6. NOTICE OF GENERAL MEETINGS

6.1 Normal Notice

6.1.1 At least 21 clear days' notice in writing must be given for every annual general meeting and for any other meeting where it is proposed to pass a resolution. Any notice must say:

- (a) where the meeting is to be held;
- (b) the date and time of the meeting; and

(c) the nature of any special business for the meeting.

6.1.2 The day when the notice is served or is treated as served and the day of the meeting do not count in the period of notice.

6.2 Shorter Notice

A general meeting may be called by shorter notice if it is so agreed by all of the members having a right to attend and vote.

6.3 To Whom Notices Should Be Given

Notice of general meetings shall be given to all members, the directors and the auditors, if any.

7. PROCEEDINGS AT GENERAL MEETINGS

7.1 Quorum

7.1.1 Before a meeting starts to do business, there must be a quorum present. If there is not, the meeting cannot carry out any business. A quorum for all purposes is three Local Authority Members who are personally present or present by proxy and entitled to vote.

7.1.2 This Article 7.1.1 applies if a quorum is not gathered within half an hour of the time fixed for a general meeting to start. If the meeting was called by members it will be dissolved. Any other meeting will be adjourned for one month and reconvened at the same time and in the same place. But if that day falls on a bank or public holiday, the meeting will be held on the first business day (excluding Saturdays or Sundays) after the holiday. If there is still not a quorum at the adjourned meeting thirty minutes after it was due to start, the meeting will be adjourned for one further month and reconvened at the same time and in the same place. If, on the third date, there is still not a quorum at the meeting fifteen minutes after it was due to start, the members who are personally present and entitled to vote will be a quorum.

7.1.3 A director shall, even if they are not a member, be entitled to attend and speak at any general meeting.

7.2 Chair of General Meetings

One of the Local Authority Members will be chair of a general meeting, on an annual rotating basis from incorporation, starting with Devon County Council, then Plymouth City Council, followed by South Hams District Council. If one of the Local Authority Members is not willing or able to take the chair at any general meeting, the other Local Authority Members who are present will choose one of themselves to act as chair. Nothing in these articles will restrict or exclude any of the powers or rights of a chair of a meeting which are given to them by the general law.

7.3 Adjourning General Meetings

7.3.1 The chair of a meeting may adjourn a meeting if this is agreed at a meeting which has a quorum present. And the chair must adjourn the meeting if the meeting directs them to. In these circumstances, the meeting will decide how long the adjournment will be and where it will adjourn to.

7.3.2 Meetings can be adjourned more than once. But if a meeting is adjourned for more than 30 days, at least 14 clear days' notice must be given for the adjourned meeting in the same way as required for the original meeting. If a meeting is adjourned for less than 30 days, there is no need to give notice about the adjournment or about the business to be considered at the adjourned meeting. A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned.

7.4 Resolutions

- 7.4.1 If a resolution is put to the vote at a general meeting, it will be only pass if the members (or their representatives at the meeting) vote to pass unanimously the resolution in question.
- 7.4.2 The chair will declare the results of a show of hands and their declaration will be conclusive proof.

8. VOTES OF MEMBERS

8.1 Calculating Votes

- 8.1.1 On a show of hands, every member present in person or by proxy shall have one vote.
- 8.1.2 This Article 8.1.2 applies where a member is of unsound mind or an order is made against them in relation to their personal welfare or property and affairs under legislation relating to mental health or mental capacity. The persons appointed to act for the member can vote for the member if any evidence which the directors may require of their authority to do this is delivered to the Company's registered office at least 48 hours before the relevant meeting (or adjourned meeting). This includes appointing a proxy and voting on a show of hands.
- 8.1.3 Any objection to the right of any person to vote at a general meeting must be made at the meeting at which the vote is cast. If a vote is not disallowed at a meeting, it is valid for all purposes. Any objection must be raised with the chair of the meeting. Their decision will be final. This Article 8.1.33 applies in the same way to adjourned meetings.

8.2 Proxies

- 8.2.1 Proxies may only be validly appointed by a notice in writing (**proxy notice**) which:
- (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the Company
 - (i) in the case of a proxy notice in hard copy form be deposited at the Company's registered office or at such other place in the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting;
 - (ii) in the case of a proxy notice in electronic form, where an address has been specified for the purpose of receiving communications in electronic form in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting or in any invitation in electronic form to appoint a proxy in relation to the meeting;

in accordance with these articles and any instructions contained in the notice of general meeting or adjourned general meeting to which they relate.

- 8.2.2 The Company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.

- 8.2.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 8.2.4 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 8.2.5 A person who is entitled to attend, speak or vote at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 8.2.6 An appointment under a proxy notice may be revoked by delivering to the Company a notice given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 8.2.7 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 8.2.8 If a proxy notice is not executed by the person appointing the proxy it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.
- 8.2.9 A proxy notice which is not deposited, sent or supplied in a manner so permitted shall be invalid.

8.3 Corporate Representatives

- 8.3.1 A company which is a member can authorise any person to act as its representative at any meeting in accordance with the Act. This person is called a corporate representative. A corporate representative can exercise all the powers on behalf of the company which the company could exercise if it were an individual member. This includes the power to vote on a show of hands when the corporate representative is personally present at the meeting. The directors may require evidence of the authority of a corporate representative.
- 8.3.2 Any vote cast by a corporate representative will be valid even though they are, for any reason, no longer authorised to represent the company. However, this does not apply if written notice of the fact that they are no longer authorised has been received at the Company's registered office before the date of the relevant meeting or adjourned meeting or before the day a vote is taken.

8.4 Written Resolutions

- 8.4.1 A resolution in writing agreed unanimously by each of the members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:
- (a) A copy of the proposed resolution has been sent to every eligible member;
 - (b) Each member has signified its agreement to the resolution; and
 - (c) It is contained in an authenticated document which has been received at the registered office within the period of twenty eight days beginning with the circulation date.

- 8.4.2 A resolution in writing may compromise several copies to which one or more members have signified their agreement. In the case of members that are not a natural person, it authorised representative (or, if it is a corporate entity, any of its statutorily authorised officers, acting in their capacity) may signify its agreement.

9. DIRECTORS

9.1 Number

- 9.1.1 Unless otherwise determined by unanimous resolution there must be at least four directors. The directors can continue to act even if one or more of them ceases to be a director. But if the number of directors falls below four, the directors must, as soon as is convenient, convene a general meeting for the sole purpose of appointing extra directors.

9.2 Qualifications

- 9.2.1 A director need not be a member of the Company.
- 9.2.2 A director will automatically stop being chair if they are no longer a director.

9.3 Appointment and Retirement of directors

- 9.3.1 Each of the Local Authority Members, shall have the right to appoint one Nominated Director during the period its membership of the Company and can appoint such a director by lodging a written confirmation of its Nominated Director with the Company. If a Local Authority member lodges an appointment letter for its Nominated Director without removing an existing Nominated Director such existing Nominated Director will be deemed to have resigned with effect from such receipt by the Company of the letter appointing the new director.

Upon any Local Authority Member ceasing to be a member of the Company, such Local Authority Member shall procure that any Nominated Director representing that Local Authority Member shall resign.

- 9.3.2 Subject to Article 9.1.1, the members by way of a unanimous resolution appoint additional directors being an individual who is:
- (a) recommended by the directors;
 - (b) a representative of the University of Plymouth, the University of Exeter, business organisations, Princess Yachts Limited, Langage Energy Park Limited, Sherford Consortium, the Port Operators and the Ministry of Defence; or
 - (c) otherwise determined by the members to be desirable for directorship having regard to the best interests of the Company;

provided always that the person to be proposed must confirm in writing that they are willing to be elected and their confirmation must be included with the notice. If this proposal is to be circulated to members as a written resolution, then the proposed written resolution must be despatched to eligible members with the confirmation referred to above.

9.4 Chair

- 9.4.1 The first chair shall be an interim chair and shall remain as chair of the directors for an interim period of up to six months from adoption of these articles without payment of any fee. Thereafter the right to appoint the chair shall be through unanimous agreement of the Local Authority Members by lodging a written confirmation with the Company of the Chair signed by each the Local Authority Members or in any other

manner approved by the directors, provided always that the chair consents to being appointed.

- 9.4.2 If the chair is unable to attend a Board meeting or a meeting of the members of the Company, the Board shall be entitled to nominate another Director to act as chair in their place at that meeting.
- 9.4.3 At the discretion of the Local Authority Members, they may appoint a vice Chair or such number of vice Chairs through unanimous agreement by lodging a written confirmation with the Company of the vice Chair(s) signed by each the Local Authority Members or in any other manner approved by the directors, provided that the vice Chair(s) consent to being appointed.

9.5 Removal of directors

- 9.5.1 The members can pass an unanimous resolution to remove a director at any time (except any Nominated Director appointed pursuant to Articles 9.3.1 who (subject to article 11) may only be removed by the relevant member who nominated the Nominated Director). This applies despite anything else said in the articles or in any agreement between the Company and any director. Special notice of the resolution must be given to the Company as required by the Act. But if a director is removed in this way, it will not affect any claim which the director may have for damages for breach of any contract of service they may have.
- 9.5.2 The members can elect a person to replace a director who has been removed in this way by passing an unanimous resolution.
- 9.5.3 Subject to these articles, the members can also pass a resolution to fill a vacancy where a director has ceased to be a director in some other way or to appoint an extra director.

ALTERNATE DIRECTORS

10.1 Appointment and Removal of Alternate Directors

- 10.1.1 Any Nominated Director (**appointor**) may appoint as an alternate any other Nominated Director or any other person to:
- (a) exercise that director's powers: and
 - (b) carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 10.1.2 Any director (**appointor**) may appoint as an alternate any other director except a Nominated Director, or any other person except a Nominated Director to:
- (a) exercise that director's powers; and
 - (b) carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 10.1.3 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- 10.1.4 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

10.2 Rights and responsibilities of alternate directors

10.2.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

10.2.2 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which their appointor is a member.

10.2.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if their appointor is an eligible director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of Articles 10.2.3(a) and 10.2.3(b).

10.2.4 A director who is also an alternate director is entitled, in the absence of their appointor, to a separate vote on behalf of their appointor, in addition to their own vote on any decision of the directors (provided that their appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

10.2.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as their appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

10.3 Termination of alternate directorship

10.3.1 Subject to Article 10.3.2, an alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

- (c) on the death of the alternate's appointor; or
 - (d) when the alternate's appointor's appointment as a director terminates.
- 10.3.2 An alternate director appointed by a Local Authority Member as its Nominated Director may only be removed by that Local Authority Members' Nominated Director.
- 10.3.3 An alternate director appointed by a Nominated Director ceases to be an alternative if that Nominated Director is removed.
- 10.3.4 By unanimous resolution, the members may terminate any alternate director and require the appointer to appoint a replacement alternate director as soon as reasonably practicable.

11. DISQUALIFICATION OF DIRECTORS

11.1 Disqualification From Acting As a director

- 11.1.1 Any director will cease to be a director in any of the following circumstances:
- (a) if a bankruptcy order is made against them;
 - (b) if they make an arrangement or composition with their creditors;
 - (c) if an order is made in relation to that director's personal welfare or property and affairs under legislation relating to mental health or mental capacity;
 - (d) save for a Nominate Director, if they have missed directors' meetings for a continuous period of twelve months, without permission from the directors and the directors pass a resolution stating that they have ceased to be a director;
 - (e) if they are prohibited from being a director by an order made under the Companies Acts or any other legislation;
 - (f) if they are disqualified from acting as a trustee by virtue of section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision);
 - (g) if they have been removed from the office of trustee for a charity by an order made by the Charity Commissioners or the High Court;
 - (h) if they have, at any time, been convicted of any criminal offence, excluding any offence for which the maximum sentence is a fine; or
 - (i) if the directors pass a resolution stating that, in their opinion, any business whose management the director is involved in or who is acting as an agent for is in competition with the Company.

11.2 Disqualification from acting as Auditor

A director can act for the Company professionally, either alone or through their firm. They and their firm can be paid for professional services as though they were not a director. However, a director cannot also be the Company's auditor or involved in the business of the Company's auditor.

11.3 Disqualification from Voting

- 11.3.1 Unless the articles say otherwise, a director cannot cast a vote on any contract, arrangement or any other kind of proposal in which they have an interest. For this

purpose, interests of a person who is connected with a director under section 252 of the Act are added to the interests of the director themselves. A director must not be included in the quorum of a meeting for any resolution they are not allowed to vote on.

- 11.3.2 But a director can vote and be counted in the quorum on any resolution about any of the following things, as long as the only interest they have in the resolution is included in the following list and provided they have declared the nature and extent of their interest in accordance with the Act:
- (a) a resolution about any proposal relating to any insurance which the Company can buy and renew for the benefit of directors or a group of people which includes the directors;
 - (b) a resolution about any proposal about any other company if the director and any person connected with the director under section 252 of the Act has a direct or indirect interest of any kind which is less than 5% of any class of equity share capital of that company or the voting rights in that company;
 - (c) an arrangement for the benefit of employees of the Company which only gives the director privileges or benefits which are also generally given to the employees that the arrangement relates to
- 11.3.3 If any question comes up at a meeting about whether a director has an interest or whether they can vote and the director does not agree to abstain from voting on the issue, the question must be referred to the chair of the meeting. The chair's ruling about any other director is final and conclusive unless the nature and extent of the director's interests have not been fairly disclosed to the directors.

11.3.4 Articles 9 and 11 applies to any member of a Committee who is not a director.

11.4 Directors' conflicts of interest

- 11.4.1 The directors may, in accordance with the requirements set out in this Article 11.4, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching their duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 11.4.2 Any authorisation under this Article 11.4 will be effective only if:
- (a) the matter in question shall have been proposed by any director for consideration at a meeting of directors;
 - (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
 - (c) the matter was agreed to without their voting or would have been agreed to if their vote had not been counted.
- 11.4.3 Any authorisation of a Conflict under this Article 11.4 may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
 - (c) be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

- 11.4.4 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through their involvement in the Conflict otherwise than as a director of the company and in respect of which they owe a duty of confidentiality to another person, the director is under no obligation to:
- (a) disclose such information to the directors or to any director or other officer or employee of the company; or
 - (b) use or apply any such information in performing their duties as a director,
- where to do so would amount to a breach of that confidence.
- 11.4.5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:
- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
 - (b) is not given any documents or other information relating to the Conflict; and
 - (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 11.4.6 Where the directors authorise a Conflict:
- (a) the director in question will be obliged to conduct themselves in accordance with any terms imposed by the directors in relation to the Conflict; and
 - (b) that director will not infringe any duty they owe to the company by virtue of sections 171 to 177 of the Act provided they act in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- 11.4.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which they derive from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 11.4.8 A Nominated Director, notwithstanding their office, may be a director or other officer of, employed by, or otherwise interested in any Member and no authorisation under this Article shall be necessary in respect of any such interest (a **Member Conflict**) and such directors shall be entitled to vote and count in a quorum at any meetings of directors in relation to any resolution relating to a Member Conflict (subject to the provisions of the Act).

12. POWERS OF DIRECTORS

12.1 General

- 12.1.1 The directors are responsible for the management of the business of the Company for which purpose they may exercise all the Company's powers including those stated in Article 2.2. And, when they are acting for the Company, the directors can do anything that the Company can do. But in both cases this does not apply where the articles or the Companies Acts say that powers can only be used by a resolution of the Company.

- 12.1.2 The directors may exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

12.2 Limitations

- 12.2.1 The members may by unanimous resolution direct the directors to take or refrain from taking specified action. No such resolution invalidates anything which the directors have done before the passing of the resolution.
- 12.2.2 In addition, the directors are always subject to:
- (a) the provisions of the Act; and
 - (b) the requirements of the articles.

13. RECORDS OF DECISIONS TO BE KEPT

- 13.1 The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors. In addition, the directors must make sure that proper minutes are kept of the proceedings and names of people who attend directors' meetings and Committees and the proceedings, resolutions and business and any orders made at any general meetings or by written resolution.
- 13.2 If a minute has been apparently signed by the chair of the meeting, or by the chair of the meeting which approves the minutes, this minute will prove what it records without any need for any further proof.

14. PROCEEDINGS OF THE DIRECTORS

14.1 General

The directors can decide when to have meetings and how they shall be conducted and on the quorum but the quorum shall not be less than all of the Nominated Directors (or their Alternate Directors) able to form part of the quorum of a meeting in accordance with the articles, plus one other director being in attendance. They can also adjourn their meetings. However, not less than four meetings of the directors shall be held in each year and not more than four months shall elapse between the date of one meeting and the next.

14.2 Calling Meetings

- 14.2.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the secretary (if there is one) to give such notice.
- 14.2.2 Meetings of the directors are called by giving notice to all directors.
- 14.2.3 Each director shall be given at least 14 clear days written notice before the date of a meeting a copy of the agenda for the meeting provided that where the chair or, in their absence or where there is a vacancy in the office of chair, the vice-chair, so determines on the ground that there are matters demanding urgent consideration, it shall be sufficient if the written notice of a meeting, and the copy of the agenda therefore are given within such shorter period as they direct.
- 14.2.4 The convening of a meeting and the proceedings conducted at a meeting shall not be invalidated by reason of any person not having received written notice of the meeting or a copy of its agenda.

14.3 Chair

If the chair of the meeting is present, they will chair it. In their absence, the directors present shall choose another director to chair the meeting (who shall not be a Nominated Director).

14.4 Attendance and Voting

14.4.1 Matters for decision at directors' meetings will be decided by a majority vote. If votes are equal, the chair of the meeting has a second or casting vote.

14.4.2 Any or all of the directors, or members of a Committee, can take part in a meeting of the directors or of a Committee:

- (a) by way of a conference telephone, video conferencing or similar equipment, designed to allow everybody to take part in the meeting; or
- (b) by a series of telephone calls from the chair of the meeting.

Taking part in this way will be counted as being present at the meeting. A meeting which takes place by a series of calls from the chair will be treated as taking place where the chair is calling from. Otherwise meetings will be treated as taking place where most of the participants are.

14.5 Delegation

14.5.1 The directors can delegate any of their powers or discretions to committees of one or more directors. This includes powers or discretions relating to directors' pay or giving benefits to directors. The directors can decide to include one or more co-opted people on these committees, as explained in this Article 14.5.1. If the directors have delegated any power or discretion to a Committee, any references in the articles to using that power or discretion include its use by a Committee. A Committee must comply with any regulations laid down by the directors. These regulations can require or allow people who are not directors to be co-opted onto the Committee and can give voting rights to co-opted members. But there must be more directors on a Committee than co-opted members and a resolution of the Committee is only effective if a majority of its members present at the time of the resolution are directors.

14.5.2 If a Committee includes two or more directors the articles which regulate directors' meetings and their procedure will also apply to Committee meetings unless these are inconsistent with any regulations for the Committee which have been laid down under Article 14.5.1.

14.5.3 Where any function of the directors has been delegated to or is otherwise exercisable by a director (including the chair) or a Committee established by them, any person to whom a function of the directors has been delegated or who has otherwise exercised a function of the directors shall report to the directors in respect of any action taken or decision made with respect to the exercise of that function at the meeting of the directors immediately following the taking of the action or the making of the decision.

14.6 Written Resolutions

This Article 14.6 applies to a written resolution which is signed by all of the directors who would be entitled to vote on the resolution at a directors' meeting. This kind of resolution is just as valid and effective as a resolution passed by those directors at a meeting which is properly convened and held. The resolution can be passed using several copies of a document, if each document is signed by one or more directors or if the directors in question signify their agreement to such document (and signifying agreement must be done in accordance with section 296(1) and (2) of the Act as if references to **a member** were references to **a director**).

14.7 Defects In Appointment And Otherwise

- 14.7.1 Everything which is done by any directors' meeting or by a Committee or by a person acting as a director will be valid even though it is discovered later that any director or person acting as a director was not properly appointed. This also applies if it is discovered later that anyone was disqualified from being a director or had ceased to be a director or was not entitled to vote. In any of these cases, anything done will be as valid as if there was no defect or irregularity of the kind referred to in this Article 14.7.1.
- 14.7.2 The directors may act even if there are vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

14.8 General

Where a meeting is not held or is terminated before all the matters specified as items of business on the agenda for the meeting have been disposed of, a further meeting shall be convened by the secretary as soon as is reasonably practicable, but in any event within seven days of the date on which the meeting was originally to be held or was so terminated.

15. ACCOUNTS

15.1 General

- 15.1.1 The directors must make sure that proper accounting records that comply with the Companies Acts are kept to give a true and fair view of the Company's affairs and to explain its transactions.
- 15.1.2 The accounting records must be kept at the Company's registered office or at any other place or places which the Companies Acts allow and the directors decide on.

15.2 Right To Inspect

- 15.2.1 The Company's officers always have the right to inspect the accounting records.
- 15.2.2 A member of the Company does not have the right to inspect any books or papers of the Company unless:
- (a) the Companies Acts give them that right;
 - (b) the directors authorise them to do so; or
 - (c) the members authorise them to do so by way of a unanimous resolution.
- 15.2.3 The directors will arrange for profit and loss accounts, balance sheets and reports to be prepared and distributed to the Company's members as required by the Companies Acts.

16. AUDITORS

Auditors shall be appointed and their re-appointment, removal and duties regulated in accordance with the Act.

17. NOTICES

- 17.1 Subject to these articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being. A director may agree with the Company that notices or documents sent to that

director in a particular way are deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

- 17.2 Anything sent to a member under these articles may be sent to that member's address as registered in the register of members, unless:
- 17.2.1 the member and the Company have agreed that another means of communication is to be used; and
 - 17.2.2 the member has supplied the Company with the information it needs in order to be able to use that other means of communication.
- 17.3 Any notice or document sent to a director may be sent to that director's address as registered in the register of directors unless:
- 17.3.1 the director and the Company have agreed that another means of communication is to be used; and
 - 17.3.2 the director has supplied the Company with the information it needs in order to be able to use that other means of communication.
- 17.4 Where a document or information is sent or supplied by the Company by post, service or delivery shall be deemed to be effected at the expiration of 24 hours after the time when the cover containing the same is posted (irrespective of the class or type of post used) and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed and posted.
- 17.5 Where a document or information is sent or supplied by the Company by electronic means to an address specified for the purpose by the intended recipient, service or delivery shall be deemed to be effected on the same day on which it is sent or supplied and in proving such service it will be sufficient to prove that it was properly addressed.
- 17.6 Where a document or information is sent or supplied by the Company by means of a website, service or delivery shall be deemed to be effected when:
- 17.6.1 the material is first made available on the website; or
 - 17.6.2 if later, when the recipient received (or is deemed to have received) notification of the fact that the material was available on the website.
- 17.7 Anything to be agreed or specified in relation to documents or information to be sent or supplied to joint holders, may be agreed or specified by that one of the joint holders whose name appears first in the register
- 17.8 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

18. INDEMNITY

- 18.1 Subject to the provisions of and so far as may be consistent with the Act, the Company shall provide:
- 18.1.1 for each relevant officer an indemnity out of the assets of the Company to the extent that such indemnity is a **qualifying third party indemnity provision** within the meaning of section 234 of the Act;
 - 18.1.2 a relevant officer with funds in accordance with section 205 of the Act to meet expenditure incurred or to be incurred by them in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in

section 205(5) of the Act or to enable a relevant officer to avoid incurring such expenditure, but so that any provision of funds will become repayable by the relevant officer or any liability of the Company under any transaction connected with any provision of funds will become repayable by the relevant officer not later than:

- (a) in the event of the relevant officer being convicted in the proceedings, the date when the conviction becomes final;
- (b) in the event of judgment being given against them in the proceedings, the date when the judgment becomes final; or
- (c) in the event of the court refusing to grant them relief on the application, the date when the refusal of relief becomes final; and

18.1.3 a relevant officer with funds to meet expenditure incurred or to be incurred by them in defending themselves in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, breach of duty or breach of trust by that relevant officer in relation to the Company or an associated company of the Company or to enable a relevant officer to avoid incurring such expenditure.

18.2 In this Article 18:

18.2.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

18.2.2 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor).

19. INSURANCE

19.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

19.2 In this Article 19:

19.2.1 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not they are also a director or other officer), to the extent they act in their capacity as auditor);

19.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

19.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

2022

Members' Agreement
relating to
Plymouth and South Devon Freeport Limited

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DATE

PARTIES

- (1) Plymouth City Council of Ballard House, West Hoe Road, Plymouth, Devon PL1 3BJ. (**PCC**).
- (2) Devon County Council of County Hall, Topsham Road, Exeter, Devon EX2 4QD (**DCC**).
- (3) South Hams District Council of Follaton House, Plymouth Road, Totnes, Devon TQ9 5NE (**SHDC**).
- (4) Plymouth and South Devon Freeport Limited (Company No.) whose registered office is Ballard House, West Hoe Road, Plymouth, Devon PL1 3BJ (the **Company**).

1. INTERPRETATION

- 1.1 In this Agreement the following words have the following meanings:

Annual Delivery Plan	the annual delivery plan of the business of the Company and any detailed operating plan and financial budget of the Company for each financial period approved in accordance with Clause 7.2.
Articles	the new articles of association of the Company in agreed form to be adopted at completion of this Agreement and as amended from time to time.
Board	the board of directors for the time being of the Company.
Business	the business of the Company as described in Clause 2 and such other business as the Members may agree from time to time in writing should be carried on by the Company.
Chief Executive	the chief executive (or equivalent role) in each of the PCC, DCC and SHDC from time to time.
Connected Party	in relation to any Member, (a) any person connected with that Member where connected has the same meaning in section 1122 and 1123 of the Corporation Tax Act 2010 and as if references to director in that section were references to a Member or (b) any employee or representative of that Member.
Deadlock	has the meaning given in Clause 11.1.
Deed of Adherence	a deed of adherence in the form set out in Schedule 2.
Director	any director for the time being of the Company.
disposal	includes charging, selling, leasing, assigning or transferring or agreeing to do any of the same, granting an option or similar right, creating a trust or other equitable interest and dispose shall be construed accordingly.
Expert	an independent person nominated to act as expert.
Members	the members from time to time in the Company and Member means any of them.
Nolan Principles	the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership as defined by the Good

Governance Institute from time to time.

Nominated Director a director appointed by a Member in accordance with the Articles.

Restricted Party a Member and any Connected Party of a Member.

Security Interest includes any mortgage, charge, pledge, lien, encumbrance, assignment or any other agreement or arrangement having the effect of conferring security or creating payment priority.

1.2 In this Agreement:

1.2.1 words denoting any gender include every gender and the singular includes the plural and vice versa;

1.2.2 references to persons include bodies corporate, unincorporated associations, governments, states, partnerships and trusts (in each case, whether or not having separate legal personality);

1.2.3 references to clauses and Schedules are to clauses of and schedules to this Agreement;

1.2.4 the Schedules form part of this Agreement and the expression **this Agreement** includes the Schedules;

1.2.5 the headings in this Agreement are for convenience only and shall not affect interpretation;

1.2.6 any reference to a statutory provision includes a reference to any modification, replacement, consolidation or re-enactment of the provision from time to time in force and all subordinate instruments, orders or regulations made under it;

1.2.7 a reference to any of the parties includes, where appropriate, persons deriving title under it;

1.2.8 general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things; and

1.2.9 references to any document (including this Agreement) or a provision thereof shall be construed as a reference to that document or provision as from time to time supplemented, varied or replaced.

2. BUSINESS OF THE COMPANY

The business of the Company is the promotion and delivery, support for the promotion and delivery, of programmes and initiatives which are capable of establishing and maintaining the Plymouth and South Devon Freeport and/or anything ancillary to or related to the Plymouth and South Devon Freeport.

3. COMPLETION

Immediately or as soon as practicable after executing this Agreement but before the Company commences trading, each of the Members shall take or cause to be taken the following steps at directors' and members' meetings of the Company or by circulation of written resolutions of the Company (as appropriate) so that:

3.1 the adoption by the Company of the Articles;

3.2 the first Nominated Directors of PCC, DCC, SHDC be appointed as directors of the Company;

- 3.3 the persons recommended by Princess Yachts and Sherford Consortium be appointed as directors of the Company;
- 3.4 the adoption of Ballard House, West Hoe Road, Plymouth PL1 3BJ as the registered office of the Company;
- 3.5 the adoption of 31 March in each year as the accounting reference date of the Company.

4. THE BOARD

4.1 Composition of the Board

- 4.1.1 Each Member has the right to appoint one Director to represent it as its Nominated Director, in accordance with the Articles.
- 4.1.2 Each Member agrees that it will appoint a replacement director as its Nominated Director soon as reasonably practicable in the event its Nominated Director resigned, is removed by it or is disqualified.
- 4.1.3 Each Member has the right in accordance with the Articles to remove a Nominated Director appointed by it to represent it and appoint another Nominated Director in their place for so long as it remains a Member as specified in the Articles.

4.2 Chair

- 4.2.1 The first chair shall be an interim chair and shall remain as chair of the directors for an interim period of up to six months from completion of this Agreement without payment of any fee. Thereafter the right to appoint the chair shall be through unanimous agreement of the Members, provided always that the chair consents to being appointed.
- 4.2.2 If the chair is unable to attend a Board meeting or a meeting of the members of the Company, the Board shall be entitled to nominate another Director to act as chair in their place at the meeting.

4.3 Quorum

- 4.3.1 The quorum for Board meetings shall be not less than all of the Nominated Directors (or their Alternate Directors) able to form part of the quorum of a meeting in accordance with the Articles, plus one other director.
- 4.3.2 A person who holds office only as an alternate director shall, if their appointor is not present, be counted in the quorum.

4.4 Board Meetings

- 4.4.1 Decisions of the Board shall be decided by a simple majority of votes on the basis that each Director shall have one vote. If votes are equal, the chair of the meeting has a second or casting vote.
- 4.4.2 Meetings of the Board shall be properly convened in accordance with the Articles and notice must be given in accordance with the Articles with participation in meetings governed by the Articles.

4.5 Removal of Directors

- 4.5.1 If a Member removes any person nominated by it as a Nominated Director or a Member's Nominated Director is required to vacate office as a Director under the Articles then that Member shall:

- (a) procure that its Nominated Director(s) vacates office without any claim to the Company for loss of office or otherwise;
- (b) deliver to the Company a form of compromise agreement meeting the relevant statutory requirements acknowledging that they have no claim for compensation for loss of office; and
- (c) indemnify the Company against all direct and indirect losses, liabilities and costs which the Company may incur arising out of, or in connection with, any claim by its Nominated Director for wrongful or unfair dismissal or redundancy or other loss arising out of such removal or loss of office.

5. CONDUCT OF THE COMPANY'S AFFAIRS

5.1 Initial period of membership

- 5.1.1 Each of the Members agrees with each of the other Members to be a Member of the Company for a minimum of an initial period of five years.

5.2 Exercise of voting rights

- 5.2.1 Each Member shall exercise all voting rights and other powers in relation to the Company so as to procure (so far as they are able) that the Business is conducted in the best interests of the Company on sound commercial principles in a way likely to promote the success of the Company for the benefit of its members as a whole and to achieve its Objects as set out in the Articles.
- 5.2.2 Each Member undertakes with the other Members to exercise all voting rights and powers of control available to it in relation to the Company so as to give full effect to the terms and conditions of this Agreement.

5.3 Anti-corruption undertakings

Each party undertakes to the other parties that:

- 5.3.1 it will not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010; and
- 5.3.2 it will not do or omit to do any act that will cause or lead the Company to be in breach of or to commit an offence under the Bribery Act 2010.

6. BUSINESS PLANNING AND FINANCIAL MATTERS

6.1 Financial Information and Accounts

The Members shall each be entitled to examine the separate books and accounts to be kept by the Company and to be supplied with all relative information, including the Annual Delivery Plan, monthly management accounts and operating statistics and such other trading and financial information in such form as they may reasonably require.

6.2 Annual Delivery Plan

The Board shall prepare the draft Annual Delivery Plan for approval of the Members in accordance with Clause 7.2 and the draft Annual Delivery Plan shall include (as a minimum):

- 6.2.1 set out the context of the Freeport strategy and vision.
- 6.2.2 Company business objectives, key performance indicators, resourcing plan and financial plan over a rolling three-year timetable.

- 6.2.3 Measures to support implementation of our Innovation Strategy, Trade and Investment Strategy and Skills plan highlighting opportunities for and/ or implementation of any secured additional public funding and initiatives.
- 6.2.4 Any proposals to utilise surplus retained business rates to deliver the Annual Delivery Plan and appropriate business cases.
- 6.2.5 Evidence of compliance with Department for Levelling Up, Homes and Communities requirements on monitoring and evaluation.
- 6.2.6 Outcomes of the annual audit of the security measures in place, any breaches and remedies.
- 6.2.7 Risks Strategy.
- 6.2.8 Recruitment plans and proposals as appropriate, and staff remuneration in accordance with the FBC.

7. MATTERS REQUIRING CONSENT

7.1 Board to manage the Business

Except for the matters listed in Clauses 7.2 and 10, the Members agree that all decisions relating to the Company shall be made by the Board in accordance with Clause 4.

7.2 Matters reserved for the Members

The Members shall exercise all voting rights and other powers available to them in relation to the Company so as to procure (so far as they are able) that no matter listed in Schedule 3 is carried out without the consent of all the Members, but such unanimity is subject to the voting restrictions set out in Clause 10 so that for the purposes of this Clause 7.2 there can be unanimity if the Member the subject of Clause 10 does not vote or consent.

7.3 Amendments or variations to this Agreement

Any amendment or variation to this Agreement shall be made only in accordance with Clause 7.2. The Company's consent is not required for any amendment or variation to this Agreement.

8. SERVICES TO BE PROVIDED BY MEMBERS

Each Member shall procure that any contracts between it and the Company or between its Connected Parties and the Company shall be made on an arm's length basis and on terms that are not unfairly prejudicial to the interests of any Member.

9. FUNDING

- 9.1 The Board are to operate a balanced financial business plan for the Company as set out in detail in the approved Annual Delivery Plan. The Members will not be obliged to provide any further funding than as agreed in the Annual Delivery Plan.
- 9.2 The Members acknowledge that PCC will be entering into arrangements with the Department of Levelling Up, Housing and Communities in the form as set out in Schedule 4 and each Member will use best endeavours to enable PCC to meet its obligations under such arrangements.
- 9.3 The Members agree to enter into a separate funding agreement outlining the flow of funding between PCC, SHDC and DCC and each Member will use best endeavours to assist each other in agreeing the terms of such agreement and in complying with such an agreement.

10. NON-INTERFERENCE/STEP-ASIDE

10.1 Claims By the Company

If the Company is entitled to bring a claim or enforce any rights it may have against any Member or any Connected Party of a Member then:

- 10.1.1 that Member agrees to refrain from using voting rights (and the rights of Director(s) nominated by it) and other powers in relation to the Company to prevent or delay the bringing of the claim or enforcement of the rights by the Company and in particular its consent shall not be required (nor the consent of any Director nominated by it) to any such action by the Company;
- 10.1.2 the parties agree that the Company shall be entitled to and shall enforce its rights under such contract;
- 10.1.3 to that end the Members agree that any Directors appointed as Nominated Director by such Member shall have no part (whether through the exercise of voting rights at meetings of the Board or in relation to directors' resolutions or otherwise) in the conduct of any proceedings taken by the Company for the purposes of such enforcement;
- 10.1.4 neither that Member nor its Nominated Director(s) shall have any right to see or take copies of documents belonging to the Company in relation to such claim or right of enforcement which in litigation (whether or not commenced) would be privileged;
- 10.1.5 the other Directors shall have full conduct of such proceedings; and
- 10.1.6 the other Directors shall constitute a quorum at any Board meeting convened for the purpose of considering such proceedings and/or shall constitute any necessary percentage for agreeing to a directors' resolution.

10.2 No Participation by an Interested Member

Notwithstanding any provision in the Articles, in relation to the entry into of any contract with a Member or a Connected Party of a Member requiring Member consent under Clause 7.2, the relevant Member shall not participate in or vote the matter requiring approval is being considered or voted on or agreed to. In that event, the other Members shall constitute a quorum at any meeting convened for the purpose of considering such contract and/or constitute any necessary percentage for agreeing to a resolution for approving such contract.

10.3 Claims by a Member

Each of the Members agrees that, if it appears that the Company is in breach of an obligation which it owes to a Member or a Connected Party of a Member under any agreement neither that Member nor any nominated Director of it nor an observer of it entitled to attend Board meetings shall have any right to see or take copies of documents belonging to the Company in relation to such breach which in litigation (whether commenced or not) would be privileged.

10.4 Members and Directors to Act in Good Faith

- 10.4.1 Each of the Members shall (and shall procure that their nominated director) act reasonably and in good faith in the interest of the Company when taking action under this Clause 10.
- 10.4.2 Each of the Members shall (and shall procure that their Nominated Director) act in accordance with the Nolan Principles.

11. DEADLOCK

11.1 When Deadlock occurs

This Clause 11 applies where there is a **Deadlock** because:

- 11.1.1 a matter relating to the affairs of the Company requires unanimous consent of the Members under Clause 7.2 of this Agreement and no such consent has been obtained;
or
- 11.1.2 a matter relating to the affairs of the Company has not been considered by a Board meeting of the Company as the meeting convened to consider such matter was adjourned due to lack of quorum and at the reconvened meeting there was no quorum

and the matter is not resolved within 20 Business Days of any Member specifying in writing to the other Members and the Company that a Deadlock has arisen. The parties undertake that they shall use all reasonable endeavours in good faith to resolve the matter giving rise to the Deadlock.

11.2 Procedure

- 11.2.1 In the case of a Deadlock not resolved within the period referred to in Clause 11.1, the procedure set out in the following provisions of this Clause 11.2 shall apply.
- 11.2.2 If the Members fail to resolve a Deadlock within such 20 Business Days period, any Member may serve written notice on the other parties stating that in its opinion that a Deadlock has occurred and identifying the matter giving rise to the Deadlock and requesting that the Deadlock be referred to the Chief Executives of each of the Members.
- 11.2.3 The Chief Executives, or such other person as the Chief Executive authorises and nominates in its place, of each of the Members agree to meet to discuss the issue and will use reasonable endeavours to resolve a Deadlock within 20 Business Days from such notification under 11.2.2. If the Chief Executives of each of the Members fail to resolve a Deadlock within such 20 Business Days period, any Chief Executive of any Member may serve written notice on the other parties stating that in its opinion that a Deadlock has occurred, identifying the matter giving rise to the Deadlock and requesting that the Deadlock be referred to an Expert.
- 11.2.4 An Expert shall be nominated jointly by the Members or, in the absence of agreement within seven days of a Chief Executive of any Member becoming entitled to request referral to an Expert, to be nominated upon request by any Member by the President (or, if they are not available, the next most senior officer) for the time being of the Institute of Chartered Accountants in England and Wales.
- 11.2.5 An Expert shall act as expert and not as an arbitrator. Their costs shall be borne as they direct or, in the absence of such direction, equally by the Members.
- 11.2.6 Each party shall give all such facilities and information and all reasonable assistance to the Expert to enable them to make any determination and shall allow them access to any books, records or information relating to the Business held by any of them.
- 11.2.7 The Expert shall be instructed to provide written notice of their determination to the parties at the address of the parties as set out in this Agreement or as subsequently notified in accordance with Clause 20 (Notices) within 30 days of their appointment.
- 11.2.8 If the Expert dies or becomes unwilling or incapable of acting or does not deliver the determination within the time required by this Clause 11.2, then any Member may apply to the then President of the Institute of Chartered Accountants for England and Wales to discharge the Expert and to appoint a replacement Expert with the required

expertise and this Clause 11.2 applies in relation to the new Expert as if they were the first Expert appointed.

- 11.2.9 Submission to this procedure as set out in Clause 11.1 and this Clause 11.2 (but not the Expert's determination) shall be binding on the Members and the Company. The Expert's determination shall (in the absence of manifest error) be final and binding on the Members and the Company.

11.3 Other relief

This Clause 11 is without prejudice to the rights of any party to seek any injunctive or similar relief from the courts to protect its intellectual property rights, its confidential information, restrictions on the activities of any Member or other rights of any description.

12. WINDING UP

- 12.1 This Agreement shall terminate and the Company shall be wound up only in the following circumstance:

- 12.1.1 all the Members unanimously agree to the same.

13. EFFECT OF TERMINATION

- 13.1 The provisions of this Agreement stated to remain in effect after termination of this Agreement and this Clause 13 and the clauses referred to below in this Clause 13.1 shall remain in full force and effect following such termination. These referred to clauses are Clauses 1 (Interpretation), 15 (Confidential Information, 14 (Costs), 17 (Severance), 18 (Entire Agreement) and 21 (Governing Law and Jurisdiction).
- 13.2 Termination of this Agreement shall not affect any rights or liabilities that the parties have accrued under it.
- 13.3 Where the Company is to be wound up and its assets distributed, the parties shall agree a suitable basis for dealing with the interests and assets of the Company and shall ensure that:
- 13.3.1 all existing contracts of the Company are performed to the extent that there are sufficient resources;
- 13.3.2 the Company shall not enter into any new contractual obligations; and
- 13.3.3 the Company is dissolved and its assets are distributed as soon as practical.
- 13.4 Where any party is required by law, regulation or governmental or regulatory authority to retain any information (or copies) of any other party or of the Company, it shall notify the other parties in writing of such retention giving details of the information that it has been required to retain.

14. COSTS

Each party shall bear its own costs, legal fees and other expenses incurred in the preparation, negotiation, execution and implementation of this Agreement and any document referred to in it.

15. CONFIDENTIAL INFORMATION

15.1 Permitted Disclosures

Notwithstanding the duties owed by the Directors to the Company, a Director may disclose information and provide relevant documents and materials about the Company and discuss its affairs, accounts or finances with the Member who they represent as a Nominated Director provided that such Member shall not (unless it is under a legal or regulatory obligation to do so) use such information in any way which is detrimental to the Company or any other Member.

15.2 Confidentiality Obligation

- 15.2.1 Subject to Clause 15.1, the Members shall keep confidential and keep separate from all other information (and shall procure that their employees and agents keep confidential and separate) all financial and other information concerning the Business, the Company and the other Members unless that information is already accessible from public sources or becomes publicly available to third parties other than as a result of disclosure(s) in breach of this Agreement. A Member will not use or disclose this information except with the consent of the other Members and the Company.
- 15.2.2 The obligations in this Clause 15.2 will continue without limit in time and shall remain binding on the Members even after a Members ceases to be a member of the Company. However, they will cease to apply to information which comes into the public domain other than by reason of breach of this Clause 15.
- 15.2.3 Nothing in this Clause 15 will prevent a party from disclosing information to the extent required in or in connection with:
- (a) legal proceedings before a court of competent jurisdiction or under any court order; or
 - (b) the requirements of any applicable law or regulation or as requested by any governmental, taxation or regulatory body or agency entitled to disclosure of the same.
- 15.2.4 The Members agree that the information referred to in Clause 15.2.1 is valuable and that damages might not be an adequate remedy for breach of this Clause 15.2 and accordingly the remedies of injunction and other equitable relief will be available for any actual or threatened breach of this Clause 15.2 without proof of special damage.

15.3 Return of Confidential Information

A Member who ceases to be a member of the Company shall promptly hand over to the Company all confidential information, documents and materials belonging to the Company (unless that the Member is required by law to retain the same) and shall, if so required by the Company, certify that it has not kept any records or copies of that information.

16. WAIVER

- 16.1 No failure to exercise or any delay in exercising any right or remedy under this Agreement shall operate as a waiver of it or of any other right or remedy under it. No single or partial exercise of any such right or remedy shall prevent any further or other exercise of it or the exercise of any other right or remedy.
- 16.2 Any waiver given must be in writing and expressly stated to be a waiver. Such a waiver will only apply to the specific events to which it is stated to relate and not to any other events, whether past or future.

17. SEVERANCE

If any provision of this Agreement shall be found by any court or body or authority of competent jurisdiction to be invalid or unenforceable, such provision shall be severed from the remainder of this Agreement which shall remain in full force and effect to the extent permitted by law.

18. ENTIRE AGREEMENT

- 18.1 This Agreement and the documents referred to in it, constitute the entire agreement and understanding of the parties and supersede:

- 18.1.1 any previous agreement between the parties relating to the subject matter of this Agreement; and
- 18.1.2 any prior promises, representations and misrepresentations (whether oral or written) relating to the subject matter of this Agreement

but without prejudice to the rights and liabilities of the parties accrued before the date of this Agreement.

18.2 Each of the parties acknowledges and agrees that:

- 18.2.1 in entering into this Agreement and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, misrepresentation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement;
- 18.2.2 its only remedy in respect of statements, representations, misrepresentations, warranties or understandings made or repeated in this Agreement or in relation to this Agreement shall be for breach of contract and it agrees that it shall have no additional remedy in respect of such statements, representations, misrepresentations, warranties or understandings upon which it may have relied in entering into this Agreement whether for misrepresentation or otherwise; and
- 18.2.3 all conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law.

18.3 Nothing in this Clause 18 shall operate to limit or exclude any liability for fraud.

19. MISCELLANEOUS

- 19.1 If there is any ambiguity or conflict arising between the terms of this Agreement and those of the Articles, the terms of this Agreement shall prevail as between the Members. The Members shall then procure the amendment of the Articles to the extent required to enable the Company to be administered as provided for in this Agreement and the documents referred to in it.
- 19.2 Notwithstanding any other provision contained in this Agreement, the Company shall not be bound by any provision of this Agreement to the extent that it would constitute an unlawful fetter on any statutory power of the Company, but any such provision shall remain valid and binding as regards all other parties to which it is expressed to apply.
- 19.3 Where any Member is required under this Agreement to exercise their powers in relation to the Company to procure a particular matter or thing, such obligation shall be deemed to include an obligation to procure that any Nominated Director of it shall procure such matter or thing, subject to the Nominated Director acting in accordance with their statutory duties as a director.
- 19.4 Nothing in this Agreement or in any document referred to in it or any arrangement contemplated by it shall constitute any Member, a partner, agent, fiduciary or employee of any other Member.
- 19.5 Each party shall upon demand and at its own expense execute and register or procure to be executed and registered all further deeds, documents and do all acts and things as may be necessary or desirable to give effect to this Agreement or any document executed or to be delivered pursuant to it.

20. NOTICES

20.1 How communications should be given

- 20.1.1 Subject to Clause 20.5, any communication given under this Agreement shall be in writing and delivered by hand or prepaid recorded, special delivery or first class post

(or air mail post if to an address outside the United Kingdom) to the address of the party who is to receive such communication as set out on page 1 of this Agreement or to such other address in the United Kingdom as may from time to time be specified in writing by the relevant party as its address for the purpose of this Clause 20.

- 20.1.2 Subject to Clause 20.5, a communication given under or in connection with this Agreement is not valid if it is sent by electronic mail.

20.2 Deemed receipt

- 20.2.1 A communication shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery;
- (b) if sent by prepaid recorded, special delivery or first class post, on the second business day after the date of posting; and
- (c) if sent by prepaid air mail post, on the fifth business day from the date of posting.

- 20.2.2 A communication received or deemed to be received in accordance with Clause 20.2.1 on a day which is not a business day or after 5.00pm on any business day according to local time in the place of receipt shall be deemed to be received at 9.00am on the next business day according to such local time.

20.3 Proving service

In proving service:

- 20.3.1 by delivery by hand, it shall be necessary only to show that delivery was made; and
- 20.3.2 by post, it shall be necessary only to prove that the communication was contained in an envelope which was properly addressed and posted in accordance with this Clause 20.

20.4 Undertaking to notify change of details

Each party undertakes to notify all of the other parties in accordance with this Clause 20 if the address specified in this Clause 20 is no longer an appropriate address for the service of communications. Such notification shall only be effective on the date specified in the notification as the date on which the change is to take place or, if no date is specified or if the date specified is less than five business days after the date on which the notice is deemed to have been served, the date falling five business days after notice of any such change is deemed to have been given.

20.5 Electronic communication for certain purposes

- 20.5.1 Any communication to be made under or in connection with Clause 7.2 may be made by electronic mail if the Members

- (a) agree that, unless and until notified to the contrary, this is to be an accepted form of communication for such purposes;
- (b) notify each other and the Company in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (c) notify each other and the Company of any change to their address or any other such information supplied by them.

- 20.5.2 Any communication sent by electronic mail under this Clause 20.5 will be effective only when actually received in readable form. Where a communication is sent by electronic

mail to an address specified for the purpose by the intended recipient, service or delivery shall be deemed to be effected on the same day on which it is sent and in proving such service it will be sufficient to prove that it was properly addressed.

- 20.5.3 A communication made under this Clause 20.5 which is received or deemed to be received in accordance with Clause 20.5.2 on a day which is not a business day or after 5.00pm on any business day according to local time in the place of receipt shall be deemed to be received at 9.00am on the next business day.

21. GOVERNING LAW AND JURISDICTION

- 21.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.
- 21.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes or claims (including any non-contractual disputes or claims) which may arise out of or in connection with this Agreement, its subject matter or formation (or any documents entered into in accordance with its provisions) or as to the rights and liabilities of the Members in connection with the Business and, for such purposes, irrevocably submits to the exclusive jurisdiction of the courts of England and Wales.

22. VARIATION

- 22.1 Subject to Clause 7.3 and Clause 10Error! Reference source not found., no amendment or variation of the terms of this Agreement or any documents entered into or delivered in accordance with its provisions shall be effective unless made or confirmed in writing and signed by all each of the Members of the Company, from time to time.

23. FURTHER ASSURANCE

- 23.1 Each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to this Agreement.

24. RIGHTS OF THIRD PARTIES

- 24.1 This Agreement does not create, confer or purport to confer any benefit or right enforceable by any person not a party to it except that a person who is a permitted successor to or assignee of the rights of a party to this Agreement is deemed to be a party to this Agreement.

25. COUNTERPARTS

- 25.1 This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same document, and any party may execute this Agreement by signing any one or more of such counterparts.

SCHEDULE 1

Details of the Company

Company Number:

Date of Incorporation:

Name:

Registered Office:

Directors:

Auditors:

Bankers:

SCHEDULE 2

Form of Deed of Adherence

This Deed is made on [●] 20[●] by [Limited][plc][(No. [●]) whose registered office is at [●][of [●]] (**New Member**).

BACKGROUND

- (A) By an agreement dated [●] 20[●] (**Members Agreement**) and made between [●] (1) [●] (2) [●] (3) [●] and (5) [●] [Limited] (**Company**) the Members have agreed to make the New member a member of the Company, conditional upon the New Shareholder entering into this Deed of Adherence.
- (B) The New Member wishes to become a member of the Company, subject to such condition, and to enter into this Deed of Adherence pursuant to the Members Agreement.

THIS DEED WITNESSES:

- (a) The New Member undertakes to and covenants with all the parties to the Members Agreement from time to time (including any person who enters into a Deed of Adherence pursuant to the Members Agreement, whether before or after this Deed is entered into) to comply with the provisions of and to perform all the obligations of a member under the Members Agreement in so far as they remain to be observed and performed, as if the New Member had been an original party to the Members Agreement in place of the Transferor.
- (b) Except as expressly varied by this Deed, the Members Agreement shall continue in full force and effect and the Members Agreement shall be interpreted accordingly.
- (c) The interpretation provisions and the provisions of Clauses 14, 18, 21, 20, 23 and 25 of the Members Agreement apply to this Deed as if those provisions had been set out expressly in this Deed which shall take effect from the date set out above.

EXECUTED by the parties as a deed on the date set out above.

SCHEDULE 3**Matters reserved for the Members – Clause 7.2**

Ref	Description
A	Fundamental Matters
A1	Joint scrutiny and approval of the Annual Delivery Plan and any material change to the Annual Delivery Plan.
A2	Approval of the scheme of delegation to the Board.
A3	Approval of the Annual Procurement Rules applicable to the Company.
A4	Approval of the Landowner Agreements and any material change to the Land Owner Agreements.
A5	Any enforcement action under the Landowner Agreement and Gateway Policy.
A6	Appointment of the Chair of the Board.
A7	Any amendment or variation to this Agreement.
A8	Allocation of seed capital and local public sector match, including the use of retained business rates to support the Annual Delivery Plan.]
A9	Agreement on individual or joint external funding bids that may indirectly benefit the Freeport objectives or Annual Plan priorities which are not governed under the Freeport arrangement.
A10	Allocation of retained business rates surpluses in accordance with the Plymouth and South Devon Policy for Retained Business Rates.
A11	Entry into a contract with a Member where the value of the contract exceeds £100,000.
B	Corporate Matters
B1	Creation by the Company of any Security Interest over the whole or any part of the Company's assets, property or undertaking.
B2	Borrowing by the Company of any amount in excess of the figure set out in the relevant Annual Delivery Plan.
B3	The Company making any loan, advance or credit (other than normal trade credit).
B4	The Company giving any guarantee or indemnity not approved in the Annual Delivery Plan.
B5	Disposal by the Company of a material part of the undertaking, property and/or assets of the Company or the contracting so to do.
B6	Expenditure by the Company on capital account or the realisation of capital assets not provided for in the relevant Annual Delivery Plan.
B7	The Company taking or agreeing to take any leasehold interest or licence over land.
B8	The Company entering into any contract or transaction except in the ordinary course of the Business and on arm's length terms.

Ref	Description
B9	Acquisition or subscription for shares, debentures or securities in any person by the Company.
B10	Alteration of the Company's accounting reference date.
B11	Appointment of new auditors to the Company.
B12	Appointment of new bankers to the Company.
B13	Factoring or assignment of book debts of the Company.
B14	Change in accounting or taxation policies of the Company other than in accordance with changes in the applicable accounting standard.
B15	Commencement or settlement of legal or arbitration proceedings involving the Company and a claim (including costs) in excess of £10,000.
B16	Entry into a scheme of arrangement or (unless required to do so by law) the winding up of the Company.
B17	The Company entering into any legal partnership or profit sharing arrangement.
B18	The Company appointing any agent or other intermediary to conduct any aspect of the Business.
C	Management, Directors and Employees
C1	Engagement by the Company of new employees or dismissal of employees not included in the relevant Annual Delivery Plan.
C2	Increase in remuneration of any employee of the Company not included in the relevant Annual Delivery Plan.
C3	Appointment or removal of any Director (save for a Nominated Director) (but this is without prejudice to the rights of the Members under Clause 4).
C4	Appointment of any committee of Directors not included in the Annual Delivery Plan.
C5	Engagement by the Company of (and terms of engagement of) any person as a consultant not included in the Annual Delivery Plan.
C6	Adoption of any pension scheme, share option scheme or similar arrangement by the Company.
D	Constitutional Matters
D1	Alteration of the Company's registered office.
D2	Creation, acquisition or disposal of any subsidiary (or shares in a subsidiary) of the Company.
D3	Taking any step to appoint an administrator of the Company or to wind up or dissolve the Company (although this is subject to the statutory duties of the Directors).
D4	Amendment to the Articles.
D5	Change of name of the Company.

Ref	Description
D6	Change in the status of the Company from a private limited company.

SCHEDULE 4

PCC DLUHC Arrangements

This Agreement has been entered into on the date stated at the beginning of it.

Signed by _____, for and on _____
behalf of _____

Signed by _____, for and on _____
behalf of _____

Signed by _____, for and on _____
behalf of _____

Signed by _____, for and on _____
behalf of _____

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