

Company number NI630236

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

CORNERSTONE VETERINARY CLINIC LTD

("the Company")

01/05/2023

Under Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolution of members of the Company set out below be passed as a special resolution.

A member may signify his or her agreement to the resolution by signing this document where indicated below and sending it to the Company so as to be received not later than 25/05/2023. The resolution must be passed by 5pm on 25/05/2023 if it is not to lapse.

SPECIAL RESOLUTION

***"THAT** the articles of association of the Company be and they are hereby amended as follows:*

***(a)** by the addition of a new article 21A as follows:*

21A Entrenched provisions in relation to the issue and redemption of a C Share

21A.1 The addition, to these articles of association of the company, of articles 21A.2 to 21A.9 ("**the Entrenched Provisions**") was agreed to by a written resolution of the single member of the company passed on 25/05/2023.

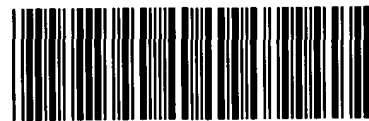
21A.2 The Entrenched Provisions may be amended or repealed only if such amendment or repeal is approved by a resolution proposed at a duly convened general meeting of members of the company and which is passed by a majority of not less than 95 per cent. No resolution to amend or repeal the Entrenched Provisions shall be taken on a poll or be proposed as a written resolution.

Issue of a redeemable C Share

21A.3 The company may issue to any person who, on 01/05/2023 is a holder of ordinary shares in the company a single redeemable fully paid-up share of £1 in the capital of the company having the rights, privileges and restrictions specified in the Entrenched Provisions ("**the C Share**"). Except as specified in the following provisions of the Entrenched Provisions, the C Share shall rank *pari passu* in all respects with the ordinary shares in issue from time to time.

Voting rights of the C Shareholder

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21A.4 Subject to the provisions of article 21A.5, the holders of the C Share (“**the C Shareholder**”) shall be entitled to vote on any resolution of members of the company and, if the C Shareholder casts a vote, the C Shareholder shall be taken to have cast, and to have counted as having been cast, such number of votes as is equal to $(y/2 + 1)$ where y is the total number of votes cast (whether for or against the resolution) by the holders of ordinary shares.

21A.5 The C Shareholder shall not be entitled to vote on any resolution to redeem the C Share passed in accordance with the provisions of article 21A.6.

Redemption of the C Share

21A.6 Subject always to the provisions of the Acts (*see sections 687 to 689 of the Companies Act 2006*), the company may, by the passing of a written resolution of the holders of the ordinary share, redeem the C Share by paying to the C Shareholder the £1 capital paid up on such share and, in that event, the Entrenched Provisions shall cease to be of any effect **SAVE THAT** the C Share may not be redeemed until both the C Shareholder and the EOT Trustee have confirmed in writing to each other, and to the directors, that the EOT Trustee has discharged in full any outstanding amount payable, and obligation owed, to the C Shareholder as consideration for the sale and transfer of any Ordinary Shares to the EOT Trustee.

Temporary restrictions on the exercise of control of the management of the Company

21A.7 Unless and until the C Share is redeemed in accordance with article 21A.6, the company shall not have the power to take, and the directors shall not take or give effect to, any of the following actions or matters without the prior consent in writing (addressed and delivered to all of the directors) of the C Shareholder. Such consent may be subject to such conditions or limitations as may be specified in writing by the C Shareholder:

- (i) any enhancement in the salary or entitlements to remuneration and benefits of any director or senior manager of a member of the Group;
- (ii) the payment, or promise of payment, of any bonus or the provision or enhancement of any perquisite or benefit-in-kind to any employee or director of any member of the Group;
- (iii) the recruitment or engagement of any individual or personal service company as an employee, worker or contractor to any member of the Group if the aggregate gross amount payable to such person (including any form of pension entitlement, benefit-in-kind, bonus, perquisite, facility or other reward or remuneration) is or is likely to exceed £100,000 per annum;
- (iv) (except as mentioned in article 21A.8) the incurring of any item of capital expenditure by any member of the Group in an amount in excess of £100,000;
- (v) the incurring of any indebtedness otherwise than in the ordinary course of the trading business of any member of the Group;
- (vi) the creation by any member of the Group of any charge on, or other security over, the assets of any member of the Group;
- (vi) the issue by the company or by any other member of the Group of any shares or securities or the grant of any rights to acquire any such share or securities;
- (vii) the appointment or removal of any director of the company or of any subsidiary of the company.

21A.8 For the avoidance of doubt, the consent of the holder or holders of the C Share shall not be required for the making of any cash contribution to the funds of the EOT and the Entrenched Provisions shall not be taken to have the effect of obliging the company to make any such contribution to the EOT.

Interpretation of the Entrenched Provisions

21A.9 In the Entrenched Provisions:

“the C Shareholder” means the holder or joint holders of the C Share;

“the EOT” means the settlement created, or proposed to be created, by the company in 2023 and which is intended to be an employee-ownership trust as mentioned in sections 236H to 236U of the Taxation of Chargeable Gains Act 1992, and references to **“the EOT Trustee”** shall be read and construed as references to the trustee or trustees for the time being of such settlement;

“the Group” means the company and any other company which is a subsidiary (as defined in s1159 and Schedule 6 of the Act) or subsidiary undertaking (as defined in s1162 and Schedule 7 of the Act) of the company.”

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(b) by the addition of the following words to the beginning of both article 22 and article 37:

“Subject to the provisions of article 21A,”

.....

(c) by the addition of a new article 44A as follows:

44A Matters requiring special consent

44A Subject always to the Entrenched Provisions, the following matters shall each require either the prior consent in writing of members together holding shares representing at least 75 per cent of the issued equity share capital of the company or the passing of a special resolution of members of the company at a general meeting of the company:

(i) any transfer of, or the creation or disposal of any interest in, or the grant of any rights to acquire, shares in any subsidiary of the company;

(ii) the issue or allotment of, or grant of any rights to subscribe for, any shares or securities in the company;

(iii) after 01/06/2023, any transfer of shares or of any beneficial or equitable interest in any shares in the company;

(iv) the redemption of any redeemable share (other than the C Share);

(v) the winding-up of the company or of any subsidiary of the company;

(vi) the disposal of the whole or of a substantial part of the undertaking or assets of the company (otherwise than by way of contribution to the Employees’ Trust as defined in paragraph (xi) below);

(vii) any change of status of the company to a public limited company or application for any shares in the company or in any parent company of the company to be dealt in on a public market;

(viii) the payment to any director or employee of the company or of any subsidiary of the company out of the profits of the company which would otherwise be available for distribution (as mentioned in section 830 of the Companies Act 2006);

(ix) borrowing any sum in excess of £100,000, or which would then increase the Company's aggregate borrowings above £250,000;

(x) the giving of any security over the assets of the Company (otherwise than in the normal course of the conduct of the Company's trade);

(xi) the making of a loan, or extension of credit, to any person otherwise than in the normal course of the conduct of the company's trade, in excess of £10,000 or, if less, 10 per cent of the net asset value of the company;

(xi) the removal of CSV Employees Trustees Limited (reg. no. NI692323) as trustee of The CSV Employee-ownership Trust ("the Employees' Trust") established by the execution of a deed by the Company on 01/06/2023 ("the Trust Deed");

(xii) the appointment of a new or additional trustee of the Employees' Trust (other than CSV Employees Trustees Limited);

(xiii) any alteration to the Trust Deed.

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(d) by the addition of a new article 37.16 as follows:

"37.16 The provisions of articles 37.1 – 37.15 above shall not apply to any transfer of shares if such transfer is approved in writing by every member of the company."

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(e) by removal of article 8.2 as follows:

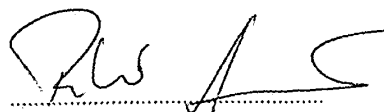
"article 8.2 to be removed completely."

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the resolution.

The undersigned, a person entitled to vote on the above resolution on 01/05/2023, hereby irrevocably agrees to approve the resolution:

Signed by Peter Herold as the duly
authorised representative of
CORNERSTONE VETERINARY CLINIC LTD
Date



25/05/2023

NOTES

1. If you wish to approve the resolution, please sign and date this document and return it to the Company using one of the following delivery methods:

By hand. Delivering the signed copy to Cornerstone Veterinary Clinic Ltd and Aisling House, 50, Stranmillis Embarkment, Belfast, Northern Ireland, BT9 5FL.

Post. Returning the signed copy by post to Cornerstone Veterinary Clinic Ltd and Aisling House, 50, Stranmillis Embarkment, Belfast, Northern Ireland, BT9 5FL.

If you do not agree with the resolution, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to a resolution, you may not revoke your agreement.

3. Unless by 5pm on 25/05/2023 sufficient agreement is received for a resolution to pass, the resolution will lapse.

4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

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