
Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

SCHEDULE

SUBSTITUTED PROVISIONS OF EMPLOYEE BENEFIT TRUST DATED 7TH MARCH 1984

2 THE MAIN PURPOSE OF THE TRUST

(2.1) The main purpose of the Trust is to benefit Employees and Future Employees in the way set out in sub-clause 2.2 below.

(2.2) The Trustees shall benefit Employees and Future Employees through—

- (a) holding Equity Shares in accordance with Clause 5 of this Deed; and
- (b) exercising the rights attaching to such shares in the manner which the Trustees consider will secure the continuation forever of Baxi Group as a successful and professionally managed trading enterprise with a Partnership Culture.

(2.3) “Partnership Culture” means the application of the following principles—

- (a) that the widespread ownership of shares in BPL or in any one or more Subsidiaries by individual Employees is promoted;
- (b) that regard is had to the interests of Employees in general;
- (c) that Employees are encouraged to assume responsibility for maximising their contribution to Baxi Group having regard to the interests of future as well as present beneficiaries of the Trust;
- (d) that Employees receive information concerning the major policies and actions of BPL; and
- (e) that opportunities are afforded to Employees whether individually or through representatives to influence the major policies of BPL,

and for the purposes of this sub-clause 2.3 the reference to “shares in BPL or in any one or more Subsidiaries” shall include such other securities of or interests in BPL or any such Subsidiary as confer rights on the holders thereof which the Trustees consider are equivalent or similar to those conferred by shares.

(2.4) The provisions of sub-clause 2.2(b) above and the principles stated in sub-clause 2.3 above shall be read as a whole and in any given circumstances the Trustees shall determine the most appropriate balance between such principles (even to the exclusion of any of them) having regard to the anticipated consequences of the emphasis placed on each in determining that balance.

(2.5) For the purposes of the foregoing provisions of this Clause 2 the Trustees shall have regard to all the consequences for the achievement of the main purpose of the Trust as stated in sub-clause 2.1 above of any proposed action or inaction anticipated by the Trustees including but without limitation—

- (a) any applicable legal or regulatory requirements or any difficulties or costs arising as a consequence of such requirements;
- (b) the incidence of any taxation, duties or imposts or the like of any jurisdiction; and
- (c) the actual and anticipated resources of Baxi Group.

(2.6) Sub-clause 2.2 above shall not be construed as imposing any obligation upon the Trustees actually to exercise their voting and other rights as shareholders or to be more active in exercising those rights than they shall in their absolute discretion from time to time think appropriate.

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

(2.7) Subject to sub-clause 2.8 below, nothing in the foregoing provisions of this Clause 2 shall require the Trustees to prevent or inhibit the adoption and implementation of policies or the taking of actions by BPL which result or are intended to result or might result in BPL or any other company within Baxi Group—

- (a) forming any joint venture or other association which is not a Subsidiary or making any investment or acquiring any interest in any body corporate which is not as a result a Subsidiary or in any other body or business organisation or association of any type which does not result in its holding an investment or interest in a subsidiary undertaking (as defined in Section 228 of the Companies Act 1985); or
- (b) disposing of all or any part of its interest in any Subsidiary or any other body corporate or of its investment or interest in any other body or business organisation or association; or
- (c) permitting any person, firm or company to acquire an interest in any Subsidiary or any other body corporate in which it is interested; or
- (d) taking any action to wind up liquidate or dissolve any Subsidiary or any other body corporate in which it is interested or allowing any such Subsidiary or other body corporate to be wound up liquidated or dissolved or otherwise reconstructing reorganising or making changes to any such Subsidiary or other body corporate; or
- (e) disposing of all or any part of its interest in any business or undertaking or in any assets associated therewith; or
- (f) permitting any person, firm or company to acquire an interest in any business or undertaking in which it is interested or in any assets associated therewith; or
- (g) terminating the operation of or reducing the size and scale of any business or undertaking in which it is interested or otherwise making changes thereto; or
- (h) acquiring or establishing or maintaining any business, undertaking, body corporate, venture or association of any type whether or not the same creates employment or creates or enhances employment prospects for Employees or Future Employees; or
- (i) reducing the number of Employees and/or the remuneration and other benefits and rewards payable or afforded to Employees; or
- (j) carrying on any business or undertaking at a loss; or
- (k) creating or permitting to be created any mortgage, charge, lien or other security interest over all or any part of its assets,

so far as the Trustees consider that the adoption and implementation of such policies or the taking of such actions is in the interests of BPL and is in the view of the Trustees designed in the short term or in the long term or in both the short term and the long term to assist in the overall achievement of the main purpose of the Trust set out in sub-clause 2.1 above in accordance with sub-clause 2.2 above.

(2.8) In carrying out their functions under sub-clause 2.7 above, the Trustees may enter into such arrangements with BPL or its Board of Directors as the Trustees in their absolute discretion think fit for identifying which matters (if any) falling within any of paragraphs (a) to (k) of sub-clause 2.7 above should be referred to the Trustees for their consideration in accordance with the closing paragraph of that sub-clause. The Trustees shall not be liable in any way in respect of any policy or action by BPL (or any other member of Baxi Group) in relation to any matter which in accordance with such arrangements does not need to be referred to the Trustees. Further, in making

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

any decision in respect of any matter which the Trustees consider pursuant to sub-clause 2.7 above, the Trustees may rely on the Board of Directors of BPL (or of any other member of Baxi Group) for information or advice without the need to seek any further information or take any other advice.

- (2.9) The arrangements referred to in sub-clause 2.8 above may (but need not necessarily) be limited to the appointment of one or more of the Trustees as a Director or Directors of BPL.