



DATED

2016

LIMITED LIABILITY PARTNERSHIP AGREEMENT

relating to

DANCE CONSULTANTS INTERNATIONAL LLP

between

JACQUELINE WILSON AND OTHERS

and

DANCE CONSULTANTS INTERNATIONAL LLP

THIS DEED is dated

2016

PARTIES

- (1) The persons named in Part 1 of Schedule 1 as the initial members of the limited liability partnership (**Initial Members**).
- (2) The limited liability partnership incorporated under the name DANCE CONSULTANTS INTERNATIONAL LLP which the Designated Members have registered with the Registrar of Companies with number OC401 under an incorporation document signed by the Initial Members a copy of which is appended to this agreement (**LLP**).

BACKGROUND

- (A) Jacqueline Wilson is the sole shareholder in Jacqui Wilson Dance Studios Limited (Company number SC24057) which carried on the Former Business from 4 December 2002 until 29 February 2016 and has agreed to transfer the Former Business to the LLP to continue the Business.
- (B) The Initial Members have agreed to enter into this agreement with the LLP to set out the basis on which the LLP is to be organised and the rights and obligations of the Members of the LLP.

AGREED TERMS

1. INTERPRETATION

- 1.1. The definitions and rules of interpretation in this clause apply in this agreement.

Accountants: Dennis & Turnbull of Swatton Barn, Badbury, Swindon, Wiltshire, SN4 0EL, United Kingdom or such other accountants as may be appointed in accordance with this agreement.

Accounting Reference Date: 30 June or such other date as determined in accordance with this agreement.

Act: the Limited Liability Partnerships Act 2000 and any amendments to that Act.

Bank: The Direct Business Bank of Bank of Scotland plc at PO Box 17235, Edinburgh EH11 1YH or such other bank as may be appointed in accordance with this agreement.

Business: the profession, trade or business to be carried on by the LLP in succession to the Former Business or any such other business determined in accordance with this agreement.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Capital Account: the account established for each Member by the LLP in accordance with this agreement to which his capital contribution to the LLP is credited.

Companies Act 2006: the relevant provisions of the Companies Act 2006 (as amended), as are applied to LLPs in accordance with regulations made under the Act.

Confidential Information: any of the following information, documents, papers or property which, at any time, comes into the LLP or any Member's possession or under his control in the course of the Business and which the LLP regards or could reasonably be expected to

regard as confidential, whether or not such information is, in itself, confidential, marked as "confidential" or reduced to tangible form:

- (a) any information relating to the Members, the LLP or the Business;
- (b) any information relating to the prospective business, technical processes, computer software, Intellectual Property or finances of the LLP, including price lists, lists and details of customers and suppliers (both current and those who were customers or suppliers during the previous two years);
- (c) any information relating to the affairs of any customers, supplier, agent, distributor or sub-contractor of the LLP;
- (d) all documents, papers and property which may have been made or prepared by, or at the request of, the LLP or any Member or which come into the LLP or any Member's possession or under his control in the course of the Business; and
- (e) compilations of two or more items of such information and all information which has been, or may be, derived or obtained from any such information.

Current Account: the account established for each Member by the LLP in accordance with this agreement to which all profits payable to him by the LLP are credited or against which drawings and any losses attributable to him are debited.

Deed of Adherence: a deed substantially in the form set out in Schedule 4 under which a Member, other than an Initial Member, agrees to become a Member of the LLP after the date of this agreement.

Deed of Retirement: a deed substantially in the form set out in Schedule 5 under which an Outgoing Member ceases to be a Member of the LLP.

Designated Members: those Members whose names and addresses appear in Part 2 Schedule 1 or such of the Members as are designated in accordance with this agreement.

Former Business: the business carried on by Jacqui Wilson Dance Studios (Company number SC240572).

Insolvency Act 1986: the relevant provisions of the Insolvency Act 1986 (as amended), as are applied to LLPs in accordance with regulations made under the Act.

Intellectual Property: copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Interest Rate: a rate of 5% per annum above the base rate from time to time of the Bank.

Leaving Date: a date on which an Outgoing Member ceases or is deemed to cease to be a Member under this agreement.

Members: the Initial Members and such other or additional persons as are admitted as members of the LLP in accordance with this agreement and whose membership of the LLP has not ceased in accordance with this agreement.

Name: the name of the LLP that the Designated Members have registered with the Registrar of Companies.

Outgoing Member: any person who ceases to be a Member of the LLP for any reason.

Payment Commencement Date: the first Business Day falling three months after the date of approval of the LLP's annual accounts for the accounting reference period in which the Outgoing Member's Leaving Date occurred.

Registered Office: the registered office of the LLP that the Designated Members have registered with the Registrar of Companies.

Regulations: the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Trading Name: the name of "DANCE UK" under which the LLP trades.

Venues: those venues in which the LLP operates the Business from time to time (and "Venue" shall be construed accordingly).

- 1.2. Clause and Schedule headings shall not affect the interpretation of this agreement.
- 1.3. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4. The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.
- 1.5. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.6. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.7. This agreement shall be binding on, and enure to the benefit of, the parties to this agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.
- 1.8. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.9. A reference to **writing** or **written** includes faxes but not email.
- 1.10. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.11. References to clauses and Schedules are to the clauses and Schedules of this agreement and references to paragraphs are to paragraphs of the relevant Schedule.

- 1.12. Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.13. Any reference to the death of any Member, in the case of any Member being a body corporate, includes reference to the winding up, dissolution or striking off the register of that Member.

2. INCORPORATION

- 2.1. The LLP was incorporated under the Act on 10 September 2015.
- 2.2. The LLP shall keep the certificate of registration of the LLP issued by the Registrar of Companies at the Registered Office.

3. COMMENCEMENT, BUSINESS AND DURATION

- 3.1. This agreement shall be deemed to have commenced on 1 March 2016.
- 3.2. The LLP carries on the Business.
- 3.3. Subject to clause 23, the LLP continues in accordance with the Act, despite any person ceasing to be a Member, until terminated

4. NAME AND REGISTERED OFFICE

- 4.1. The LLP is incorporated with the Name and Registered Office.
- 4.2. The Members may change the Name and the Registered Office at any time.
- 4.3. The Designated Members shall notify any change in the Name or the Registered Office to the Registrar of Companies in accordance with the Act.
- 4.4. The LLP shall trade under the Trading Name and comply with the Companies Act 2006 in the use of that name.

5. PLACE OF BUSINESS

The LLP shall carry on the Business at the Venues or such other additional or alternative place(s) of business as the Members may determine from time to time.

6. LLP PROPERTY AND INTELLECTUAL PROPERTY

- 6.1. The property of the LLP includes the property listed in Part 1 of Schedule 2, the Intellectual Property of the LLP listed in Part 2 of Schedule 2 and all property owned or occupied by the LLP for the purposes of the Business.
- 6.2. All property held or created by the LLP, or occupied or employed by the LLP for the purposes of carrying on the Business and which has been paid for by the LLP or contributed to the LLP

by any Member or has otherwise accrued to the LLP, is owned by the LLP absolutely and the Members have no individual rights in that property other than by their entitlement to such capital distributions as may be due to them under this agreement or following liquidation of the LLP.

- 6.3. The Intellectual Property of the LLP includes the Intellectual Property listed in Part 2 of Schedule 2.
- 6.4. Members shall promptly give the LLP full written details of all works embodying Intellectual Property made wholly or partially by them which relate to, or are reasonably capable of being used in, the Business. Members acknowledge that all Intellectual Property subsisting (or which may in the future subsist) in all such works shall automatically, on creation, vest in the LLP. To the extent that they do not vest automatically, Members shall hold them on trust for the LLP. Members agree promptly to execute all documents and do all acts as may, in the opinion of the LLP, be necessary to give effect to this clause 6.4. The LLP shall pay all reasonable expenses incurred by Members in this respect.
- 6.5. Members hereby irrevocably waive all moral rights under the Copyright, Designs and Patents Act 1988 (and all similar rights in other jurisdictions) which they have or will have in any existing or future works referred to in clause 4. Any copyright or design right in any work made wholly or partially by a Member which relates to, or is reasonably capable of being used in, the Business shall belong to the LLP. Members assign (by way of future assignment) all such copyright and/or design right to the LLP.
- 6.6. If requested by the LLP (and at its expense), the Members agree to give all necessary assistance to the LLP to enable it to enforce its Intellectual Property against third parties, to defend claims for infringement of third party Intellectual Property and to apply for registration of Intellectual Property, where appropriate throughout the world, and for the full term of those rights.

7. BANKING

- 7.1. The LLP's bank is the Bank.
- 7.2. All money belonging to the LLP shall be paid promptly into the LLP's account at the Bank for the credit of the LLP.
- 7.3. All money and securities received by the LLP or any Member on behalf of any client or third party shall be paid and delivered promptly to the client or third party into an appropriate client account in accordance with the rules or regulations of any professional or regulatory body, which may exercise relevant jurisdiction over the LLP.
- 7.4. All cheques drawn on or instructions for the transfer of money from any account mentioned in clause 7 shall be drawn in the Name and shall be signed by one of the Designated Members but not by any other person.

8. ACCOUNTS, ACCOUNTANTS AND AUDIT

- 8.1. The LLP shall ensure that proper books of account giving a true and fair view of the Business, the state of affairs and profit or loss of the LLP are properly kept and preserved and are open to inspection by the Members at all times.
- 8.2. The LLP's books of account shall be kept at the Registered Office or at such other place as the Members determine from time to time.
- 8.3. The LLP's accounting reference period ends on the Accounting Reference Date or such other date as the Members may determine from time to time.
- 8.4. The Designated Members shall notify any change in the Accounting Reference Date to the Registrar of Companies in accordance with the Companies Act 2006.
- 8.5. The LLP shall prepare annual accounts as at the Accounting Reference Date in accordance with the Companies Act 2006.
- 8.6. Unless the LLP is exempt from audit under the Companies Act 2006 the Members may:
- (a) appoint the Accountants of the LLP;
 - (b) reappoint the Accountants in accordance with the Companies Act 2006;
 - (c) fix the remuneration of the Accountants; and
 - (d) remove the Accountants from office.
- 8.7. Unless the LLP is exempt from audit under the Companies Act 2006, the LLP annual accounts shall be audited and settled each year by the Accountants as at the Accounting Reference Date.
- 8.8. The LLP annual accounts together with a report by the Accountants shall be:
- (a) laid before a meeting of the Members for consideration and if thought fit approved, subject only to any approved variation; and
 - (b) distributed to all Members as required by the Companies Act 2006.
- 8.9. The Designated Members shall sign the annual accounts of the LLP and file them with the Registrar of Companies in accordance with the Companies Act 2006.

9. CAPITAL

- 9.1. The Initial Members contributed the total sum of capital in the proportions specified in Part 1 of Schedule 3 on incorporation of the LLP as shall be credited to each Member's Capital Account.
- 9.2. At incorporation of the LLP, each of the Initial Members acquires a share in the LLP in accordance with the amount or value of his contribution to the LLP on incorporation.
- 9.3. The Designated Members may not call for the Members to contribute any further capital on the insolvency of the LLP.

- 9.4. Subject to clause 9.3, the Members shall contribute any further capital which they determine as being required for the purposes of the LLP in accordance with:
- (a) instructions from the Designated Members; and
 - (b) the proportions of capital contributions as set out in Part 1 of Schedule 3.
- 9.5. Where, in accordance with instructions from the Designated Members, a Member contributes capital to the LLP at any time after incorporation of the LLP, that Member acquires a share in the LLP in accordance with the amount or value of that contribution and Part 1 of Schedule 3 shall be amended to reflect that contribution and the contribution shall be credited to the Member's Capital Account.
- 9.6. The Members shall share any profits of a capital nature, as certified by the Accountants, in the same proportions in which they share capital contributions as set out in Part 1 of Schedule 3.
- 9.7. No Member is entitled to receive interest on the amount of his proportion of the capital contributions to the LLP unless otherwise agreed between the Member and the Designated Members.
- 9.8. Subject to clause 19 and clause 21.3 or unless otherwise decided by the Members, a Member shall not withdraw or receive back any part of the sum credited to his Capital Account.

10. PROFITS

- 10.1. Subject to clause 10.2 the Members shall decide to allocate the profits of the LLP between the Members in the proportions set out in Part 2 of Schedule 3 and credit each Member's Current Account as soon as the annual accounts for the relevant accounting year of the LLP are approved by the Members in accordance with clause 8.8(a), provided that the allocation to a Member who joined the LLP in accordance with this agreement part way through the relevant accounting year shall be reduced in proportion to that part of the relevant accounting year during which he was a Member.
- 10.2. Any losses allocated to a Member may not, in aggregate, exceed an amount equal to his total capital contribution shown in Part 1 of Schedule 3.

11. DRAWINGS

- 11.1. On the last Friday of each month or the next Business Day where that date is not a Business Day, each Member shall be paid on account of his share of profits such sum as the Members may determine.
- 11.2. If any Member withdraws from his Current Account funds in excess of his profit share for an accounting year as determined in accordance with clause 10, that Member shall repay the excess drawings to the LLP immediately together with interest on the excess at the Interest Rate.

12. ADMISSION OF MEMBERS

- 12.1. The Members may resolve to admit as a Member to the LLP any person who wishes to become a Member.
- 12.2. No person may become a Member until he has executed a Deed of Adherence to become a party to this agreement (as amended) and be bound by its terms.
- 12.3. The Designated Members shall notify the appointment of a Member to the Registrar of Companies in accordance with the Act.

13. DESIGNATED MEMBERS

- 13.1. The Members shall designate at least one Member as Designated Member.
- 13.2. The Designated Members shall be responsible for ensuring compliance with all registration and other requirements of the Act and other applicable legislation, including:
- (a) notifying any change in the Members or their personal details or in the Accounting Reference Date to the Registrar of Companies;
 - (b) notifying any change in the Name or Registered Office to the Registrar of Companies;
 - (c) signing the annual accounts of the LLP and filing them with the Registrar of Companies in accordance with the Companies Act 2006;
 - (d) preparing, signing and filing the annual return with the Registrar of Companies;
 - (e) when appropriate, appointing, re-appointing, fixing the remuneration of and removing the LLP auditors; and

14. MEETINGS AND DECISION-MAKING

- 14.1. Meetings of each of the Designated Members and Members shall be held at least once per quarter.
- 14.2. Every meeting of the Members, as the case may be, shall be governed by the following provisions:
- (a) a meeting of the Members may be called by any one of the Members. A meeting may also be called by any liquidator of the LLP appointed under the Insolvency Act 1986;
 - (b) a meeting may be held at such time and place as the Designated Members or liquidator calling the meeting think fit;
 - (c) a notice of meeting shall be served on all those entitled to attend the meeting and such notice shall specify the place, day and time of the meeting and a statement of the matters to be discussed at the meeting;
 - (d) not less than seven clear days' notice is to be given of a meeting to all those entitled to attend, provided that valid shorter notice is deemed to have been given if all

Members attend the meeting or if it is ratified by the Members at a subsequent duly convened meeting;

- (e) The meeting shall be chaired by Jacqueline Wilson or another Designated Member appointed by her as alternate for the purposes of the meeting, who shall have a casting vote;
- (f) the quorum for a meeting of the Members is two Members (one of whom must be a Designated Member) present in person or by video or telephone conference call or by proxy (which shall mean another Member appointed in writing to attend and vote on behalf of the appointing Member);
- (g) where the appropriate quorum is not present within 30 minutes of the start time stated in the notice of the meeting, any resolution passed at the inquorate meeting is deemed to have been passed if it is ratified later by the required majority in attendance at a duly convened quorate meeting;

- (h) a meeting may be conducted by electronic means, such as via telephone or video conference. Designated Members or Members participating in a meeting via electronic means shall be deemed to be present in person at the meetings and shall be entitled to be counted in the quorum and to vote;
 - (i) minutes shall be prepared of all meetings and shall be approved and signed by the chairman of the meeting as evidence of the proceedings.
- 14.3. Each of the Members shall have one vote and decisions shall be reached by a simple majority at a duly convened meeting.
- 14.4. The managing Member may overrule any decision if, in his or her opinion, it will be fundamentally detrimental to the LLP.
- 14.5. The Designated Members or Members may take any decision regarding the LLP for any purpose by way of written resolution signed by all the Designated Members or Members, as the case may be.
- 14.6. The Designated Members or Members may delegate (or revoke the delegation of) any of their powers of managing or conducting the affairs of the LLP to a committee or committees consisting of such Designated Members, Members and employees of the LLP as are appointed in the appropriate resolution.

15. MEMBERS' DUTIES AND RESTRICTIONS

- 15.1. Each Member shall at all times:
- (a) except as may be agreed by the Members, devote his whole time and attention to the Business (except during holidays under clause 15);
 - (b) diligently employ himself in the Business and conduct himself in a proper and responsible manner and use his best skill and endeavour to promote the Business to the greatest advantage of the LLP;
 - (c) comply with all legislation, regulations, professional standards and other provisions as may govern the conduct of the Business, or be determined by the Designated Members as standards to be voluntarily applied by the LLP to the Business;
 - (d) show the utmost good faith to the LLP and the other Members in all transactions relating to the Business and affairs of the LLP and give the LLP a true account of all such dealings;
 - (e) if required to do so by the Members, serve as a Designated Member of the LLP for the purposes of section 8 of the Act for such period as the Members may require;
 - (f) promptly give details to the Designated Members of any changes to his details, which shall be notified to the Registrar of Companies under the Act;
 - (g) keep securely, in legible form, proper accounts, diaries and records relating to the LLP as the Designated Members may reasonably require and ensure that all Members have free access to them and may take copies of them as may be required;

- (h) inform the Designated Members without delay on becoming party to any legal proceedings;
- (i) indemnify and keep indemnified the other Members, their estates and successors from and against all losses, liabilities, expenses and payments resulting from his material breach of this agreement, without prejudice to any other right or remedy of other Members; and
- (j) account to the LLP for any profit derived from any business carried on or any office or appointment accepted by him in breach of this agreement, or any personal benefit derived by him from the Business, the use of the Name or Trading Name, or property of the LLP in breach of this agreement.

15.2. Without the prior written consent of the Designated Members, no Member may:

- (a) engage or be concerned directly or indirectly in any business other than the Business or accept (otherwise than in a voluntary or honorary capacity) any office or appointment unless that other business, office or appointment is not in competition with the Business;
- (b) derive any benefit from the use of the Name, Trading Name, the property or the business connection of the LLP;
- (c) engage in any contract or commitment on behalf of the LLP, except in the Name or Trading Name;
- (d) assign or charge his rights or interest in the LLP, or any part thereof, or any other interest in the LLP or make any other person a partner with the LLP;
- (e) have any dealings with any person, partnership, limited liability partnership or limited company with whom or which the Members have previously resolved not to deal; or
- (f) engage or dismiss any employee of the LLP.

16. INDEMNITY AND EXPENSES

16.1. The LLP shall indemnify any Member in respect of payments made and personal liabilities incurred by him in the performance by him of his duties as a Member as Designated Member in the ordinary and proper conduct of the Business or in respect of anything necessarily done by him for the preservation of the Business or property of the LLP.

16.2. A Member may charge and be refunded all out-of-pocket expenses properly incurred by him in connection with the Business provided that:

- (a) the Member provides an appropriate receipt and VAT invoice where appropriate; and
- (b) where the LLP provides a credit card for the use of a Member for such expenses, the Member provides to the LLP the original vouchers for all expenditure charged to that credit card.

16.3. The Designated Members may, by notice given to the Members, place upper limits on any category or categories of expenses for which Members may claim reimbursement.

17. INSURANCE

- 17.1. The LLP shall at its own expense maintain insurance policies (for the benefit of the Members or the LLP as appropriate) in such amounts as the Designated Members determine in respect of:
- (a) employer's liability; and
 - (b) public liability.
- 17.2. The LLP shall at its own expense maintain private health insurance policies for the benefit of the Designated Members and their children in such amounts as the Designated Members determine.
- 17.3. The Members shall co-operate with the LLP in obtaining the insurance policies in clause 18.1 and undergo any medical examination regarded as reasonably necessary for the procurement of any such insurance policy.

18. RETIREMENT AND DEATH

- 18.1. Any Member may retire from the LLP by giving not less than one months' written notice to the LLP of his intention to retire from the LLP and the date of expiration of that notice is his Leaving Date.
- 18.2. A Member is deemed to retire from the LLP immediately if the LLP serves written notice on him requiring him to retire as a Member after the court has made an order or appointed a deputy under section 16 of the Mental Capacity Act 2005.
- 18.3. A Designated Member may resign his designation by giving 12 months' written notice to the LLP and on expiration of that notice he continues as a Member of the LLP but his designation as a Designated Member terminates, except that, where his resignation would reduce the number of Designated Members of the LLP to one, his notice does not take effect until the Members appoint a new Designated Member.
- 18.4. Where a person dies while he is a Member, his Leaving Date is the date of his death.

19. EXPULSION

- 19.1. The LLP may by written notice to the Member concerned, expiring seven days from service of the notice, expel that person from membership of the LLP where the Member concerned:
- (a) commits any serious breach or persistent breaches of any term of this agreement which is irremediable or (if such breach is remediable) fails to remedy that breach within seven days of the LLP serving written notice on him requiring such remedy;
 - (b) fails to pay any money owing by him to the LLP on the due date for payment and remains in default not less than seven days after being notified in writing to make such payment;
 - (c) fails to account for or pay over or refund any money received and belonging to the LLP within seven days after being so required by notice from the LLP;

- (d) is guilty of any conduct likely to have a serious adverse effect on the Business;
- (e) ceases to hold any professional qualification or certification required for the normal performance of his duties as a Member;
- (f) is convicted of any criminal offence involving dishonesty;
- (g) is required to resign for reason by the Designated Members giving him not less than seven days written notice requiring him to resign and he fails to do so within the required time period;
- (h) becomes, in the reasonable opinion of the Designated Members, physically or mentally unfit (whether or not certified as such by a medical practitioner) to carry on his duties and obligations as a Member under this agreement for a continuous period of 90 days in any twelve months, and has been so unable throughout the period of at least two months (excluding any periods of holiday, maternity leave, parental leave or family leave) immediately preceding the service of the notice;
- (i) suspends, or threatens to suspend, payment of his debts, or is unable to pay his debts as they fall due or admits inability to pay his debts, or (in the case of the Member being a body corporate) is deemed unable to pay his debts within the meaning of section 123 of the Insolvency Act 1986, or (in the case of the Member being an individual) is deemed either unable to pay his debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986;
- (j) commences negotiations with all or any class of his creditors with a view to rescheduling any of his debts, or makes a proposal for or enters into any compromise or arrangement with his creditors;
- (k) is the subject of a petition or a notice, or passes a resolution, or an order is made, for or in connection with the winding up of that Member (being a body corporate);
- (l) (being an individual) is the subject of a bankruptcy petition or order;
- (m) is subject to a creditor or encumbrancer of the Member attaching or taking possession of, or where a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Member's assets and such attachment or process is not discharged within 14 days;
- (n) is subject to any event, or proceedings, in any jurisdiction to which the Member is subject that has an effect equivalent or similar to any of the events mentioned in clause 20.1(i) to clause 20.1(m) (inclusive);

19.2. Where a Member is expelled, his Leaving Date is the date of expiration of the expulsion notice served in accordance with clause 20.1.

20. ENTITLEMENTS OF OUTGOING MEMBERS

20.1. An Outgoing Member is not entitled to any share or interest in the property or profits of the LLP arising after his Leaving Date and shall have no right to vote or to participate in the management or affairs of the LLP's from his Leaving Date.

20.2. With effect from the Outgoing Member's Leaving Date, the Members shall succeed to all the interest of the Outgoing Member in the LLP

- 20.3. After his Leaving Date, the LLP shall:
- (a) indemnify and keep indemnified the Outgoing Member, or his estate and his personal representatives, as appropriate, against all guarantees and obligations in relation to the LLP except in relation to income or capital gains tax payable by the Outgoing Member; and
 - (b) in accordance with clause 21.5, pay the Outgoing Member:
 - (i) the amount of any capital which he is entitled to be credited to his Capital Account by the LLP;
 - (ii) any undrawn balance of his profit share and such sums to which he is entitled to be credited by the LLP to his Current Account less any proportion of income tax as the Accountants advise is applicable to the period ending on his Leaving Date; and
 - (iii) any sums, as in the opinion of the Accountants, acting as experts and not as arbitrators, are required to be paid to the Outgoing Member to represent the value of his share in the LLP at his Leaving Date.
- 20.4. The LLP shall calculate the sums under clause 21.3(b) by reference to the annual accounts of the LLP. Those sums shall be apportioned as appropriate, in respect of the accounting reference period in which the Outgoing Member's Leaving Date occurred.
- 20.5. Unless the LLP determines, in its absolute discretion, to make the payments at an earlier date, the LLP shall pay the sums under clause 21.3(b)) without interest to the Outgoing Member, his personal representatives or trustee in bankruptcy, as follows:
- (a) 50% on the Payment Commencement Date;
 - (b) the remaining 50% in two equal instalments, the first instalment being paid on the first Business Day falling three months after the Payment Commencement Date and the second instalment being paid on the first Business Day three months after that.
- 20.6. If an instalment under clause 21.5 is more than seven days late, interest at the Interest Rate, shall be due and payable on the balance for the time being outstanding of that instalment, in respect of the period during which it remains outstanding.
- 20.7. The Designated Members shall notify details of any Outgoing Member to the Registrar of Companies in accordance with the Act.
- 20.8. When a Member becomes an Outgoing Member, this agreement shall continue in force and effect as between the remaining Members.

21. OBLIGATIONS OF OUTGOING MEMBERS

- 21.1. On or within a reasonable time of his Leaving Date, the Outgoing Member or his personal representatives shall sign and execute a Deed of Retirement and all documents and perform all acts that the LLP reasonably requires for the purpose of enabling the LLP to recover any outstanding interest or right of the LLP in or for the purpose of transferring to the LLP, or as it may direct, any property of the LLP which on his Leaving Date is held by the Outgoing Member on behalf of the LLP. The Outgoing Member irrevocably and by way of security

appoints each and any of the other Members as his attorney to sign, execute and deliver on his behalf all deeds and documents and to do all acts and things necessary to give effect to the terms of this agreement and for vesting in the LLP the full benefit of the assets, rights and benefits to be transferred to the LLP under this agreement.

21.2. On or within a reasonable time of his Leaving Date, the Outgoing Member or his personal representatives, shall return to the LLP all documents, records, papers or other property belonging to the LLP which may be in his possession or under his control, and which relate in any way to the LLP's Business affairs and he shall not retain any copies thereof.

21.3. An Outgoing Member shall not do any of the following, without the written consent of the Members, during the period of two years following his Leaving Date:

- (a) canvass, solicit or endeavour to attract away from the LLP to any firm, company or business in which he may be involved, any person known by him to be a client or customer of the LLP at the time of his Leaving Date;
- (b) act for or deal with, whether directly or indirectly, any person known by him to be a client or customer of the LLP as at his Leaving Date;
- (c) compete with the LLP or engage in any business of a similar nature or similar Name or Trading Name to that of the LLP, on his own account or by a firm or company in which he is involved, within ten miles from any Venue; and
- (d) canvass, solicit, employ or otherwise engage anyone who is an employee or Member of the LLP at the time of his Leaving Date.
- (e) assist or facilitate anyone else to do anything which if done by him would have been a breach of this clause 23.

21.4. Each of the restrictions in clause 22.3, which are intended to be separate and severable, are considered fair and reasonable by the Members. If any restriction is found to be unenforceable, but would be valid if any part of it were deleted, or the period or area of application reduced, the restriction shall apply with such modifications as may be necessary to make it valid and enforceable.

22. LIQUIDATION

22.1. In accordance with clause 14 and the Insolvency Act 1986, the Members may resolve to:

- (a) place the LLP into voluntary liquidation and appoint a liquidator;
- (b) make a proposal for a voluntary arrangement, scheme of compromise or arrangement with its creditors;
- (c) apply for an administration order; and
- (d) apply to the court to wind up the LLP.

22.2. For the purposes of section 74 of the Insolvency Act 1986, no Member is liable to contribute any amount to the assets of the LLP on liquidation to cover any of the matters set out in that section.

22.3. If the LLP is wound up, and a surplus sum remains at the conclusion of the winding up, after payment of all money due to the creditors of the LLP and all expenses of the winding up, the liquidator shall pay that surplus sum to the Designated Members in accordance with the respective proportions to which the Members share capital under Part 1 of Schedule 3.

23. CONFIDENTIALITY

23.1. Each Member and Outgoing Member undertakes that he shall not at any time disclose to any person any Confidential Information concerning the Business or affairs of the LLP or the other Members except as permitted by clause 24.2.

23.2. Each Member and Outgoing Member may disclose Confidential Information:

- (a) to his representatives or advisers who need to know such information for the purposes of exercising the party's rights or carrying out his obligations under or in connection with this agreement. Each Member and Outgoing Member shall ensure that its representatives or advisers to whom he discloses Confidential Information comply with this clause 24.4; and
- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

23.3. No Member or Outgoing Member shall use any Confidential Information for any purpose other than to exercise his rights and perform his obligations under or in connection with this agreement.

23.4. All Confidential Information shall, as between each Member, Outgoing Member and the LLP, be deemed to be the property of the LLP.

23.5. Each Member and Outgoing Member shall immediately inform the LLP if he becomes aware of the possession, use or knowledge of any Confidential Information by any person who is not authorised to possess, use or have knowledge of it and shall, at the LLP's request, provide such reasonable assistance as is required to deal with such event.

23.6. Without prejudice to any other right or remedy of the other LLP or Members howsoever arising, any failure by a Member or an Outgoing Member to comply with the provisions of this clause shall constitute a serious breach of this agreement, entitling the LLP to require that Member or Outgoing Member to account to the LLP for any personal benefit thereby acquired and to expel such Member from the LLP in accordance with clause 20.

24. UNFAIR PREJUDICE

Any rights conferred on the Members by Part 30 of the Companies Act 2006 are excluded indefinitely.

25. ENTIRE AGREEMENT

25.1. This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

- 25.2. Each party acknowledges that in entering into this agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement.
- 25.3. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.
- 25.4. Nothing in this clause shall limit or exclude any liability for fraud.

26. NOTICES

26.1. For the purposes of this clause, but subject to clause 27.7, notice includes any other communication.

26.2. A notice given to a party under or in connection with this agreement:

- (a) shall be in writing and in English or accompanied by an accurate translation into English;
- (b) shall be signed by or on behalf of the party giving it;
- (c) shall be sent to the party for the attention of the contact and at the address listed in clause 27.3;
- (d) shall be sent by a method listed in clause 27.5; and
- (e) unless proved otherwise, is deemed received as set out in clause 27.5 if prepared and sent in accordance with this clause.

26.3. The parties' addresses and contacts are as set out in this table:

Party	Contact	Address
DANCE CONSULTANTS INTERNATIONAL LLP		Swatton Barn, Badbury, Swindon, Wiltshire SN4 OEL
Jacqueline Wilson	Designated Member	139 Crow Road, Glasgow G11 7SJ
Martin William Fallon	Designated Member	139 Crow Road, Glasgow G11 7SJ
Susan Haldane	Non-Designated Member	Flat 9, 704 Edgefauld Road, Glasgow G21 4NB
Kristeen Wilkinson	Non-Designated Member	13 Cross Orchard Way, Bellshill, North Lanarkshire ML4 3DQ

Suzanne Shanks	Non-Designated Member	Flat 1/2, 66 Howard Street, Glasgow G1 4EE
Ailsa Adams	Non-Designated Member	Flat 0/215, Julian Court, Julian Avenue, Glasgow G12 ORB
Diane Watson	Non-Designated Member	[]

26.4. A party may change its details given in the table in clause 27.3 by giving notice, the change taking effect for the party notified of the change at 9.00 am on the later of:

- (a) the date, if any, specified in the notice as the effective date for the change; or
- (b) the date five Business Days after deemed receipt of the notice.

26.5. This table sets out:

- (a) delivery methods for sending a notice to a party under this agreement; and
- (b) for each delivery method, the corresponding delivery date and time when delivery of the notice is deemed to have taken place provided that all other requirements in this clause have been satisfied and subject to the provisions in clause 27.6:

Delivery method	Deemed delivery date and time
Delivery by hand.	On signature of a delivery receipt or at the time the notice is left at the address.
Pre-paid first class recorded delivery post or other next working day delivery service providing proof of delivery.	9.00 am on the second Business Day after posting or at the time recorded by the delivery service.

26.6. For the purpose of clause 27.5 and calculating deemed receipt:

- (a) all references to time are to local time in the place of deemed receipt; and
- (b) if deemed receipt would occur in the place of deemed receipt on a Saturday or Sunday or a public holiday when banks are not open for business, deemed receipt is deemed to take place at 9.00 am on the day when business next starts in the place of receipt.

26.7. This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

26.8. A notice given under or in connection with this agreement is not valid if sent by email.

28. COSTS

Except as expressly provided in this agreement, each party shall pay its own costs incurred in connection with the negotiation, preparation, and execution of this agreement and any documents referred to in it.

29. WAIVER

No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

30. FURTHER ASSURANCE

At its own expense, each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to this agreement.

31. SEVERANCE

31.1. If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

31.2. If any provision or part-provision of this agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

32. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

33. GOVERNING LAW AND JURISDICTION

33.1. 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 the law of England and Wales.

33.2. Each party irrevocably agree that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement, its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

1. Members of the LLP

1. Initial Members

Jacqueline Wilson
Martin William Fallon

2. Designated Members

Jacqueline Wilson
Martin William Fallon

3. Non-Designated

Susan Haldane
Kirsteen Wilkinson
Suzanne Shanks
Ailsa Adams
Diane Watson

2.

Property of the LLP

1.

Property

Office Equipment (including computer equipment and office materials used by the Members at Venue)

Advertising Banners

Teaching Props

Dance Flooring

Ballet Barres

Music Speakers and cables, wiring etc.

Studio mirrors

Studio curtains

CDs, DVDs and records

Reference Books

iTunes music library

2.

Intellectual Property

- The tradenames "Mini Movers", "Dance UK Academy", "Streetdance UK" and "Young Performers".
- Lesson plans and teaching material for "Mini Movers", "Dance UK Academy", "Streetdance UK" and "Young Performers".
- Music Playlists for all programmes.
- Website.
- Operations manual, including online system.

3. Capital contributions and treatment of profits and losses

1. Capital contributions and division of capital profits and losses

Jacqueline Wilson 50%
Martin William Fallon 50%

2. Division of profits

Non-Designated Members

Susan Haldane: teaching hours: £20/hr
class admin fees: £40/week/class
office based work: £8.50/hr

Kristeen Brady: teaching hours: £20/hr
class admin fees: £30/week/class
office based work: £8.50/hr

Suzanne Shanks: teaching hours: £20/hr
class admin fees: £35/week/class

Ailsa Adams: teaching hours: £20/hr
class admin fees: £80/month/class

Diane Watson: teaching hours: £20/hr

Balance to be divided as follows:

Jacqueline Wilson 50%
Martin William Fallon 50%