

# Protection for City Cabs



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To buy shares, you must be a driver or staff member for 1 year. Applications will be sent to current shareholders providing an opportunity to object. We will have a guarantee in place that if 5% of the individual shareholders make an objection, the prospect will not be admitted. No shareholder can have an interest in any other Taxi or PH business. If a driver or staff member does not work for 12 months (except for health-related reasons), they must relinquish their shares at current balance sheet value.

## Can I sell my shares privately?

Shares can only be sold back to the company.

You will not be able to do a private deal with another individual for your shares. City Cabs will buy your shares back at balance sheet price and sell them to the next shareholder on the list, at the balance sheet price plus a 5% admin fee.

## Can Private Hire buy us?

We do not anticipate a group of people buying most of the shares and controlling the company, there are multiple reasons why. These people would need to be driving with City Cabs before being eligible to buy shares. If a group had the funds, they would need current shareholders to sell their shares first and a committee who authorise the purchase. Additionally, all shareholders will be presented every year at the AGM, anyone growing their share with a dubious background would be challenged.

## What if they try anyway?

There are several ways that companies protect themselves from hostile takeovers in the shareholder world and we could take advantage of these as a shareholder company (which we currently can't). An example would be the 'poison pill' strategy which when activated makes it financially unviable for any party with ill intent. We would have slightly more protection than we currently have due to having shares.

## How does this work?

Our vote on the 9<sup>th</sup> of Dec will be for each of us to give up our membership of City Cabs. The one new member of City Cabs will be 'Edinburgh Taxis 1925'. After the vote, if we vote yes, we will all be assigned our shares in Edinburgh Taxis 1925. This company has already been setup, there is 1 share, 1 shareholder, and standard articles – this will change if we vote yes. Our lawyers have informed us that this is the simplest way to achieve what we want, and our lawyers specialise in acquisitions and mergers so have seen this numerous times before.

## Edinburgh Taxis 1925

While this won't be a trading name, this company will own City Cabs in full and any future acquisitions will be owned by Edinburgh Taxis 1925. As a shareholder in this company, you will now finally own a share in City Cabs, and all future assets purchased. The name City Cabs will always remain our trading name, and the company will be owned by our current membership plus any drivers or staff who buy shares. We do not plan on ever trading as Edinburgh Taxis 1925.