

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GIG Creative Limited

(Adopted by special resolution passed on 8/1/15 (insert date))

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

A Share: means an ordinary share of £1 in the capital of the Company designated as an A Share;

Act: means the Companies Act 2006;

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).

Allocation Notice: has the meaning given in article 20.13;

Appointor: has the meaning given in article 11.1;

Articles: means the company's articles of association for the time being in force;

Associate: in relation to any person:

(a) any person who is an associate of that person. The question of whether (or not) a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986; or

(b) any Member of the same Group.

B Share: means an ordinary share of £1 in the capital of the Company designated as a B Share;

B Shareholder: a holder of B Shares;

Business Day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Board: the board of directors of the company (as constituted from time to time);

Conflict: has the meaning given in article 7.1;

Continuing Shareholders: has the meaning given in article 20.6;

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;

Drag Along Notice: has the meaning given in article 24.2;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

Fair Value: the price per share determined by the Valuers in accordance with article 22.3;

Founder: Timothy Gomersall;

Holding Company: has the meaning given in section 1159 of the Act;

Member of the Same Group: as regards any company, a company which is from time to time a Holding Company or a Subsidiary of that company or a Subsidiary of any such Holding Company;

Minimum Transfer Condition: has the meaning given in article 20.2(d);

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

Offer Notice: has the meaning given in article 23.3;

Sale Shares: has the meaning given in article 20.2;

Seller: has the meaning given in article 20.2;

Subsidiary: in relation to a Holding Company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such Holding Company;

Transfer Notice: has the meaning given in article 20.2; and

Valuers: the accountants for the time being of the company or, if they decline the instruction, an independent firm of accountants jointly appointed by the company and the Seller or, in the absence of agreement between the company and the Seller on the identity of the expert within 20 Business Days of the Deemed Transfer Notice (or, if later, within 20 Business Days of the Board becoming aware of the Deemed Transfer Notice), an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.5 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.6 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.7 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

- 1.8 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

DIRECTORS

2. UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

3. CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving not less than 10 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any one Eligible Director at any time when there is only one director in office; and two Eligible Directors in all other cases.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict of interest, if, excluding the conflicted director(s) there are fewer Eligible Directors in office than the quorum, the quorum for such meeting (or part of a meeting) shall be the number of Eligible Director(s) in office excluding the conflicted director(s).
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

5. CASTING VOTE

- 5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall have a casting vote.

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7. DIRECTORS' CONFLICTS OF INTEREST

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 will be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other

matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

- (b) subject to article 4.2, the quorum for consideration of the relevant matter (which shall be the same as the quorum for the transaction of business at a meeting of the directors) is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

7.3 Any authorisation of a Conflict under this article 7 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 or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director prior to such revocation or variation, in accordance with the terms of such authorisation.

- 7.6 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 he derives 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.

8. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.

10. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 11.1 Any director (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, 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.

- 11.2 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.

- 11.3 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.

12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

12.1 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.

12.2 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 his Appointor is a member.

12.3 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 his 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 12.3(a) and (b).

12.4 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an Eligible Director in relation to that decision).

12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his 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.

13. TERMINATION OF ALTERNATE DIRECTORSHIP

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.

14. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

SHARES

15. SHARE CLASSES

Except as otherwise provided in these Articles, the shares shall rank pari passu in all respects but shall constitute separate classes of shares.

16. DIVIDENDS AND RETURN OF CAPITAL RIGHTS

16.1 The Shares shall entitle the holders thereof to the following rights:

- (a) as regards dividends:
 - (i) subject to article 16.1(a)(ii), the company shall apply any profits which the directors resolve (subject to any lawful contrary resolution of the company in general meeting) to distribute to the holders of the A and B Shares in any year in paying a dividend to the holders of the A and B Shares in respect of their holdings of such shares, pari passu and pro rata to the number of shares held by each of them;
 - (ii) in addition to any dividend paid under article 16.1(a)(i) above, each B Shareholder shall be entitled to an additional 2% of the overall dividend declared under article 16.1(a)(i), for each complete year that such B Shareholder has been continuously employed by the company since 1 December 2014 (**Additional Dividend**) up to a maximum Additional Dividend of 10%, such Additional Dividend to be deducted from the entitlement of the A Shares under article

16.1(a)(i). For the avoidance of doubt, the entitlement to the Additional Dividend shall cease entirely and immediately upon a B Shareholder ceasing to be an employee of the company (howsoever occurring) and the additional dividend to which such B Shareholder would have been entitled shall revert to the A Shares.

- (b) as regards capital, on a return of assets on a liquidation, reduction of capital or otherwise, the A Shares and B Shares shall rank pari passu in all respects with each other.

17. LEAVER PROVISIONS RELATING TO B SHARES

17.1 The provisions of this article shall apply to any Leaver and to any Leaver's Relevant Shares.

17.2 In this article:

- (a) **Bad Leaver** means a Relevant Shareholder who is, or has become, a Leaver and who, in the opinion of the Founder, breaches or has breached any provision of the Shareholders' Agreement (such opinion being conclusive of the same);
- (b) **Founder Direction** means a notice in writing served by the Founder in accordance with article 17.3;
- (c) **Group** means the company, any subsidiary or holding company from time to time of the company, and any subsidiary from time to time of a holding company of that company; and each company in a Group is a **Group Company**;
- (d) **holding company** and **subsidiary**: mean a "holding company" and "subsidiary" as defined in section 1159 of the Act;
- (e) **Leaver** means:
 - (i) a Relevant Shareholder who ceases, or has ceased to be, an employee of a Group Company (howsoever occurring); or
 - (ii) any person who, by operation of law, holds or becomes entitled to any Relevant Shares in circumstances where the Relevant Shareholder ceases, or has ceased to be, an employee of a Group Company (howsoever occurring);
- (f) **Leaving Date** means the date on which a Relevant Shareholder becomes a Leaver;
- (g) **Leaver Offer Notice** means a notice indicating the Leaver's intention to sell all of his Relevant Shares to the Founder in accordance with the Founder Direction and this article 17;
- (h) **Relevant Shareholder** means any shareholder who holds any Relevant Share;

- (i) **Relevant Share** means any B Share;
 - (j) **Shareholders' Agreement** means any shareholders' agreement (or similar document) in force between any of the shareholders and the company.
- 17.3 Within a period of 18 months from (and including) the relevant Leaving Date, the Founder may serve a notice on a Leaver notifying him that he is a Bad Leaver and that, with immediate effect, he is deemed to have served one or more Leaver Offer Notices in respect of such of his Relevant Shares as is specified in the Founder Direction.
- 17.4 The deemed service of a Leaver Offer Notice shall bind the Leaver to sell to the Founder (or such other person as is indicated in the Founder Direction) the Relevant Shares specified in the Founder Direction in accordance with articles 17.5 to 17.12 (inclusive) at a price equal to the aggregate nominal value of the Relevant Shares in question.
- 17.5 The sale of shares under this article 17 shall be completed at the offices of the company on the 5th Business Day after deemed receipt of the Leaver Offer Notice under article 17.3.
- 17.6 At completion the Leaver shall:
 - (a) transfer the Relevant Shares specified in the Founder Direction free from all Encumbrances by way of a duly completed share transfer form to the Founder (or such other person as is indicated in the Founder Direction) together with the relevant share certificate and such other documents as the Founder (or such other person as is indicated in the Founder Direction) may reasonably require to show good title to such Relevant Shares or enable the Founder (or such other person as is indicated in the Founder Direction) to be registered as the holder of such Relevant Shares;
 - (b) warrant that he is selling the Relevant Shares with full title guarantee;
 - (c) warrant that no commitment has been given to create an Encumbrance affecting the Relevant Shares being sold (or any unissued shares or other securities of the company) and that no person has claimed any rights in respect thereof; and
 - (d) undertake to do all he can, at his own cost, to give the Founder (or such other person as is indicated in the Founder Direction) the full legal and beneficial title to the Relevant Shares.
- 17.7 At completion the Founder (or such other person as is indicated in the Founder Direction) shall pay the purchase price to the Leaver or his lawyers (who have been irrevocably authorised by the Leaver to receive it).

- 17.8 The Relevant Shares shall be sold with all rights that attach, or may in the future attach, to them (including the right to receive all dividends and distributions declared, made or paid on or after completion).
- 17.9 The Founder (or such other person as is indicated in the Founder Direction) is not obliged to complete the purchase of any of the Relevant Shares being sold unless the purchase of all the Relevant Shares being sold is completed simultaneously.
- 17.10 If the Leaver fails to complete the transfer of shares as required under this clause, the Founder is irrevocably authorised to transfer the Relevant Shares on the Leaver's behalf and to do anything else that the Founder (or such other person as is indicated in the Founder Direction) may reasonably require to complete the sale.
- 17.11 After the Founder (or such other person as is indicated in the Founder Direction) has been registered as the holder of Relevant Shares sold pursuant to this article 17, the validity of such proceedings shall not be questioned by the Leaver. Failure to produce a share certificate shall not impede the registration of shares under this article 17.
- 17.12 A transfer pursuant to this article 17 shall not be subject to the pre-emption provisions of article 20.

18. PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

- (a) £15,000; and
- (b) the value of 5% of the company's share capital.

19. TRANSFERS OF SHARES: GENERAL

- 19.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 19.2 No share shall be transferred, and the directors shall refuse to register a transfer of any share, unless it is made in accordance with these Articles. Subject to article 19.6, the directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

- 19.3 Except pursuant to article 21 (Compulsory Transfers), article 23 (Tag Along Rights) or article 24 (Drag Along Rights) and notwithstanding any other provision of these Articles, no B Share may be transferred without the written consent of the Founder.
- 19.4 If a shareholder transfers (or purports to transfer) a share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all shares held by him.
- 19.5 Any transfer of a share by way of sale which is required to be made under article 21 (Compulsory Transfers), article 23 (Tag Along Rights) or article 24 (Drag Along Rights) shall be deemed to include a warranty that the transferor sells the share free of encumbrances and with full title guarantee.
- 19.6 The directors may, as a condition to the registration of any transfer of shares, require the transferee to execute and deliver to the company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the shareholders and the company in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any condition is imposed in accordance with this article 19.6, the transfer may not be registered unless and until that deed has been executed and delivered to the company's registered office by the transferee.
- 19.7 To enable the directors to determine whether or not there has been any transfer (or purported transfer) of shares the directors may require:
- (a) any holder (or the legal representatives of a deceased holder); or
 - (b) any person named as a transferee in a transfer lodged for registration; or
 - (c) such other person as the directors may reasonably believe to have information relevant to that purpose,
- to provide the company with any information and evidence that the directors think fit regarding any matter which they deem relevant to that purpose.
- 19.8 If any such information or evidence referred to in article 19.7 is not provided to enable the directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the directors are reasonably satisfied that a breach has occurred, the directors shall immediately notify the holder of such shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the directors within 20 Business Days of receipt of such written notice, then:
- (a) the relevant shares shall cease to confer on the holder of them any rights:

- (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares;
 - (ii) to receive dividends or other distributions otherwise attaching to those shares; and
- (b) the directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The directors may reinstate the rights referred to in article 19.8(a) at any time and, in any event, such rights shall be reinstated in respect of any shares transferred pursuant to article 19.8(b) on completion of such transfer.

19.9 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

- (a) it does not contain a Minimum Transfer Condition; and
- (b) the Seller wishes to transfer all the shares held by him (including any shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Transfer Notice).

19.10 Any Transfer Notice (but not an Offer Notice or a Drag Along Notice) served in respect of the transfer of any share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

20. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

20.1 Any transfer of shares by a shareholder shall be subject to the pre-emption rights in this Article except where the provisions of article 21 (Compulsory Transfers), apply.

20.2 A shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the company giving details of the proposed transfer including:

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price (in cash) at which he wishes to sell the Sale Shares (which, in the case of a Deemed Transfer Notice, shall be the Fair Value of the Sale Shares) (**Transfer Price**); and

- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).
- 20.3 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 20.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 20.5 As soon as practicable following the receipt of a Transfer Notice (or, in the case of a Deemed Transfer Notice, as soon as practicable following the determination of the Fair Value) the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 20 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 20.6 The Board shall offer the Sale Shares to all shareholders other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 20.7 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 20.8 to article 20.11 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 20.8 If:
 - (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
 - (b) not all Sale Shares are allocated following allocations in accordance with article 20.8(a), but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 20.8(a). The

procedure set out in this article 20.8(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 20.9.

20.9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

20.10 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

20.11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with article 20.16.

20.12 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 20.8 to article 20.11, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

20.13 If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under article 20.8 to article 20.11 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).

20.14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

20.15 If the Seller fails to comply with article 20.14:

- (a) the chairman of the company (or, failing him, any one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
- (b) the company shall pay the Consideration into a separate bank account in the company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the company.

20.16 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 20.12 then, subject to article 20.17 and within eight weeks

following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 20.16 shall continue to be subject to any Minimum Transfer Condition.

20.17 The Seller's right to transfer Sale Shares under article 20.16 does not apply if the Board reasonably considers that:

- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the company or with a Subsidiary of the company; or
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above.

20.18 The restrictions imposed by this article 20 may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this article 20.

21. COMPULSORY TRANSFERS

21.1 A shareholder is deemed to have served a Transfer Notice immediately before any of the following events:

- (a) In relation to a shareholder which is a corporate entity:
 - (i) the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's group, provided that such reconstruction or amalgamation does not result in a transfer of the shareholder's shares to any person; or
 - (ii) the presentation at court by any competent person of a petition for the winding up of the shareholder which has not been withdrawn or dismissed within seven days of such presentation; or
 - (iii) a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder; or
 - (iv) the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an

application for an administration order in respect of the shareholder; or

- (v) any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
 - (vi) the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
 - (vii) the shareholder entering into a composition or arrangement with its creditors; or
 - (viii) any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the company (other than by the appointment of a receiver, administrative receiver or manager); or
 - (ix) a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors;
 - (x) the shareholder ceasing to carry on its business or substantially all of its business; or
 - (xi) in the case of the events set out in paragraphs (a)(i), (a)(ii), (a)(iv) or (a)(v) of this article 21.1, any competent person taking any analogous step in any jurisdiction in which the shareholder carries on business.
- (b) In relation to a shareholder who is an individual:
- (i) a petition being presented, or an order being made, for the shareholder's bankruptcy; or
 - (ii) an application to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement; or
 - (iii) the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or
 - (iv) the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
 - (v) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
 - (vi) the happening in relation to the shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
 - (vii) his death.

- (c) the shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the shares in the company which if capable of remedy has not been so remedied within 20 Business Days of all the other parties to the shareholders' agreement requiring such remedy.

21.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 22;
- (b) the Seller does not have the right to sell to a third party any of the Sale Shares for which the Continuing Shareholders do not apply.

22. FAIR VALUE

22.1 As soon as practicable after service of a Deemed Transfer Notice, the shareholders shall procure the appointment of the Valuers to determine the Fair Value of the Sale Shares.

22.2 The Valuers shall be requested to determine the Fair Value within 25 Business Days of their appointment and to notify the shareholders in writing of their determination.

22.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:

- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the company without any premium or discount being attributable to the percentage of the issued share capital of the company which they represent or for the rights or restrictions applying to the Sale Shares;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
- (d) the Sale Shares are sold free of all encumbrances;
- (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
- (f) to take account of any other factors that the Valuers reasonably believe should be taken into account.

- 22.4 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 22.5 To the extent not provided for by this article 22, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 22.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).
- 22.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the Seller unless otherwise directed by the Valuers.

23. TAG ALONG RIGHTS

- 23.1 Except in the case of transfers pursuant to article 21 (Compulsory Transfers), and after going through the pre-emption procedure set out in article 20 (Pre-Emption Rights on the Transfer of Shares), the provisions of article 23.2 to article 23.6 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring 65% or more of the shares in the capital of the company.
- 23.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other shareholders to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**).
- 23.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the Specified Price and other terms and conditions of payment;
 - (c) the Sale Date; and

- (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**).

- 23.4 If the Buyer fails to make the Offer to all of the holders of shares in the company in accordance with article 23.2 and article 23.3, the Seller shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 23.5 If the Offer is accepted by any shareholder (**Accepting Shareholder**) in writing within 15 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 23.6 The Proposed Transfer is subject to the pre-emption provisions of article 20, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

24. DRAG ALONG RIGHTS

- 24.1 After first giving a Transfer Notice and going through the procedure set out in article 20 (Pre-Emption Rights on Transfer), if the holders of 65% or more of the shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other shareholders (**Called Shareholders**) to sell and transfer all their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 24.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
 - (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 24;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares;
 - (d) any other terms and conditions of payment (including, if relevant, the terms on which the payment of any part(s) of the purchase price is deferred); and
 - (e) the proposed date of the transfer.

- 24.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 24.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 24 and article 19.5.
- 24.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (b) that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 5th Business Day after service of the Drag Along Notice.
- 24.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in article 20, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 24.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due to the Called Shareholders on the Completion Date to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 24.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay such part of the purchase price as is due on the Completion Date in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 24 in respect of their shares.
- 24.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 24.7) transfer(s) in respect of all of the Called

Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 24.

- 24.10 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire shares in the company or exercising a conversion right in respect of any convertible security of the company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 24 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a shareholder of the company, if later.

DECISION MAKING BY SHAREHOLDERS

25. POLL VOTES

- 25.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 25.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

26. PROXIES

- 26.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 26.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

27. MEANS OF COMMUNICATION TO BE USED

27.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

27.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

28. INDEMNITY

28.1 Subject to article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

- (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

- (b) the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 28.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

28.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

28.3 In this article:

- (a) companies are associated if one is a Subsidiary of the other or both are Subsidiaries of the same body corporate; and
- (b) 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 he is also a director or other officer), to the extent he acts in his capacity as auditor).

29. INSURANCE

29.1 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.

29.2 In this article:

- (a) 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 he is also a director or other officer), to the extent he acts in his capacity as auditor);

- (b) 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
- (c) companies are associated if one is a Subsidiary of the other or both are Subsidiaries of the same body corporate.