

**Company number: 00123414**

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**The Swansea City Association Football Club Limited (Company)**

**(Adopted by special resolution passed on 21<sup>st</sup> September 2020)**

## **INTRODUCTION**

### **1. Interpretation**

- 1.1 The following definitions and rules of interpretation shall apply in these Articles:

**Act:** the Companies Act 2006.

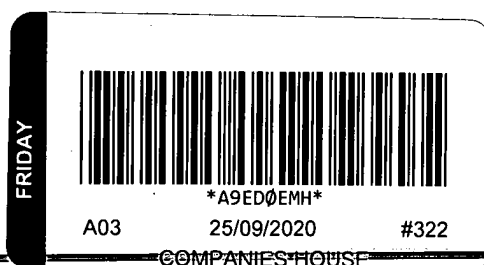
**Articles:** the Company's articles of association for the time being in force.

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

**Conflict:** a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

**Control:** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person (including the ability to appoint a majority of the members of the governing body of such person), whether through ownership of voting securities, by agreement or otherwise. The terms "controls," "controlled" and "controlling" shall have corresponding meanings.

**Convertible Loan Note:** means the convertible loan note(s) issued by Swansea City Football 2002 Limited (registered number 04305508) on August 2020.



**Controlling Shareholder:** a registered holder for the time being of at least 75% of the issued shares in the Company from time to time.

**Eligible Director:** 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).

**Group:** the Company, any subsidiary or any holding company of the Company from time to time, and any subsidiary from time to time of a holding company and **member of the Group** shall mean any of them.

**holding company:** has the meaning given in article 1.6.

**Model Articles:** 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 and reference to a numbered **Model Article** is a reference to that article of the Model Articles.

**Noteholder:** means Stormlight Elyrch LLC.

**Permitted Transferee:** in the case of the Convertible Loan Notes, means any other person directly or indirectly Controlling or Controlled by, or under direct or indirect common Control with, such person, in the case of any Swan Shares, shall have the meaning given to such term in the articles of association of Swansea City Football 2002 Limited (registered number 04305508).

**Shareholder:** a holder for the time being of any share or shares in the Company.

**Swan Shares:** means the ordinary shares in the capital of Swansea City Football 2002 Limited (registered number 04305508).

**subsidiary:** has the meaning given in article 1.6.

- 1.2 Unless expressly provided otherwise 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. The final paragraph of Model Article 1 shall not apply to the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to a numbered **Article** is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise in these Articles, 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 made under it, whether before or after the date of adoption of these Articles; and
- (b) any amendment or re-enactment, whether before or after the date of adoption of these Articles and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

This article 1.5 shall not apply to the definition of **Model Articles** in article 1.1.

1.6 A reference to a **holding company** or **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), by way of security or in connection with the taking of security, or (b) its nominee.

1.7 Any words following the terms **including**, **include** 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.

1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

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 Model Articles 8(3), 11(2) and (3), 14(1), (2), (3) and (4), 38, 52 and 53 shall not apply to the Company.

1.11 Model Article 7 shall be amended by:

- (a) the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and
- (b) the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

1.12 In Model Article 8(2), the words "copies of which have been signed by each eligible director" shall be deleted and replaced with the words "of which each Eligible Director has signed one or more copies".

- 1.13 Model Article 20 shall be amended by the insertion of the words "and the company secretary (if any)" before the words "properly incur".
- 1.14 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.15 In Model Article 30(4), the words "the terms on which shares are issued" shall be deleted and replaced with "the rights attached to any shares".
- 1.16 In Model Article 32(a), the words "the terms on which the share was issued" shall be deleted and replaced with "the rights attached to the share".
- 1.17 Model Article 44(3) 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 Model Article.

## **DIRECTORS**

### **2. DIRECTORS' GENERAL AUTHORITY**

Any or all powers of the directors (or any of them) shall be restricted in such respects, to such extent and for such duration as the Controlling Shareholder may from time to time by notice in writing to the Company prescribe.

### **3. DIRECTORS' MEETINGS**

- 3.1 Subject to article 3.2, the quorum for the transaction of business at a meeting of directors is at least two directors, being Jason Levien and Steven Kaplan, or if either of them no longer holds an office of a director, any other director(s) nominated by the Controlling Shareholder from time to time (together **Controlling Shareholder Directors** and each **Controlling Shareholder Director**), provided that in each case they are all Eligible Directors, or, where there is only one director in office for the time being, that director.
- 3.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 5 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) (as defined in article 5.1), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 3.3 Questions arising at any meeting of the directors shall be decided by a majority of votes. If there is an equality of votes, either of the Controlling Shareholder Directors shall have a second or casting vote.

#### **4. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

4.1 Subject to section 177(5) and (6) and section 182(5) and (6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, 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 and count in the quorum 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.

4.2 The provisions of article 4.1(a) to article 4.1(f) (inclusive) are subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 5.3.

## **5. DIRECTORS' CONFLICTS OF INTEREST**

- 5.1 The directors may, in accordance with the requirements set out in this article 5, authorise any Conflict 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.
- 5.2 Any authorisation under this article 5 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) any requirement as to the quorum for consideration of the relevant matter 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.
- 5.3 Any authorisation of a Conflict under this article 5 may (whether at the time of giving the authorisation or subsequently) impose on the Interested Director such conditions or limitations, or be granted subject to such terms, as the directors may think fit for the purposes of dealing with the Conflict and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions.
- 5.4 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, before such revocation or variation, in accordance with the terms of such authorisation.
- 5.5 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any member of the Group and no further authorisation under article 5.1 shall be necessary in respect of any such interest.
- 5.6 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 that he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles, by the Company or by these Articles (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.

## **6. 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 a form that enables the directors to retain a copy of such decisions.

## **7. NUMBER OF DIRECTORS**

Unless otherwise determined by the Controlling Shareholder Directors, the number of directors shall not be subject to any maximum but shall not be less than one (1). No shareholding qualification for directors shall be required.~~exceed seven.~~ A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these Articles.

## **8. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 8.1 The Controlling Shareholder may at any time and from time to time by notice in writing to the Company appoint one or more persons to be a director or directors of the Company and to remove any director or directors from office (whether or not appointed pursuant to this article 8).
- 8.2 Model Article 18 shall be amended by the inclusion of the words "notification of the director's removal is received by the Company from the Controlling Shareholder pursuant to Article 8.1" as a new paragraph (g) at the end of that Model Article.
- 8.3 Any removal of a director pursuant to article 8.1 shall be without prejudice to any claim for breach of contract under any employment agreement between the Company and the director so removed.
- 8.4 For so long as the Noteholder (or its Permitted Transferees) holds (i) any Convertible Loan Notes or (ii) any Swan Shares, it shall be entitled to nominate for appointment, removal and replacement any one person to act as a director of the Company at any one time, from time to time, by notice in writing addressed to the Company, and subject to Model Article 18, the other holders of shares shall not exercise their voting rights as shareholders so as to remove any such director from office. For so long as the Noteholder (or its Permitted Transferees) holds (i) any Convertible Loan Notes or (ii) any Swan Shares this Article 8.4 shall not be revoked or amended without the prior written consent of the Noteholder.

## **SHARES AND SHAREHOLDERS**

## **9. ISSUE OF NEW SHARES**

The directors shall not exercise any power of the Company to allot shares or other securities in, or to grant rights to subscribe for, or convert into, shares or other securities of, the Company without the prior written consent of the Controlling Shareholder (if any).

## **10. TRANSFERS OF SHARES – GENERAL**

10.1 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.

10.2 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.

10.3 Any transfer of a share by way of sale which is required to be made under article 11 or article 13 shall be deemed to include a warranty that the transferor sells the share with full title guarantee.

10.4 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.

10.5 If any such information or evidence referred to in article 10.4 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 (with the prior written consent of the Controlling Shareholder) shall immediately notify the holder of such shares of that fact in writing and 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; or
- (iii) to participate in any future issue of shares.

10.6 The Directors may (with the prior written consent of the Controlling Shareholder) reinstate the rights referred to in article 10.5(a) at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 10.5(a)(iii).

10.7 Notwithstanding anything contained in these articles or otherwise:

- (a) any pre-emption rights conferred on existing members or any other person by these articles or otherwise and any other restrictions on or conditions applicable to the transfer of shares contained in these articles or otherwise shall not apply to; and
- (b) the directors shall not refuse to register, nor suspend registration of,
- (c) any transfer of shares where such transfer is:
- (d) to a bank, lender, fund, financial institution or other person to which or to whom such shares are charged by way of security (whether as lender, agent, trustee or otherwise) (a "**Secured Institution**"), or to any nominee of such a Secured Institution;
- (e) executed by a Secured Institution or its nominee, pursuant to a power of sale or other power under any security document;
- (f) executed by a receiver or manager appointed by a Secured Institution pursuant to any security document; and/or
- (g) delivered to the company for registration by a Secured Institution or its nominee or by a receiver or manager appointed by a Secured Institution.

10.8 Any present or future lien on shares howsoever arising which the company has shall not apply in respect of any shares which have been charged by way of security to, or otherwise secured in favour of a Secured Institution or which are transferred in accordance with the provisions of this Article.

10.9 A certificate executed by the Secured Institution to which or whom such security interest has been or is being granted, certifying that the

aforementioned shares are subject to such security shall be conclusive evidence of such a fact.

10.10 A certificate executed by the Secured Institution or its nominee or by a receiver or manager appointed by the Secured Institution, certifying that the aforesaid transfer has been executed in accordance with the provisions of this Article, shall be conclusive evidence of such fact.

10.11 For the purposes of this Article, "person" includes any person, individual, firm, company, corporation, government, state or agency of a state or any undertaking (within the meaning of section 1161(1) of the Companies Act 2006) or other association (whether or not having separate legal personality) or any two or more of the foregoing."

## **11. PERMITTED TRANSFERS OF SHARES**

Subject to any charge over the shares by way of security to a Secured Institution, notwithstanding any other provision of these Articles, a transfer of any shares approved in writing by the Controlling Shareholder may be made without any price or other restriction and any such transfer shall be registered by the directors.

## **12. RESTRICTIONS ON SHARE TRANSFERS**

No Shareholder (other than the Controlling Shareholder) may transfer any shares without the prior written consent of the Controlling Shareholder.

## **13. DRAG ALONG**

13.1 If the Controlling Shareholder wishes to transfer all of its interest in shares (**Seller's Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Controlling Shareholder shall have the option (**Drag Along Option**) to require all the other Shareholders on the date of the request, including the Company in respect of any shares held in treasury, (**Called Shareholders**) to sell and transfer all their interest in shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 13.

13.2 The Controlling Shareholder may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Seller's Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

- (a) that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this article 13;
- (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

- (c) the consideration payable for the Called Shares calculated in accordance with article 13.4;
  - (d) the proposed date of completion of transfer of the Called Shares.
- 13.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Controlling Shareholder. However, a Drag Along Notice shall lapse if, for any reason, the Controlling Shareholder has not completed the transfer of all the Seller's Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 20 Business Days of serving the Drag Along Notice. The Controlling Shareholder may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 13.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be highest price per share offered, paid or to be paid by the Proposed Buyer, or any person acting in concert with the Proposed Buyer, for the Seller's Shares.
- 13.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 13.
- 13.6 Completion of the sale and purchase of the Called Shares (Completion) shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Seller's Shares unless:
  - (a) all of the Called Shareholders and the Controlling Shareholder otherwise agree; or
  - (b) that date is less than five Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place five Business Days after the date of service of the Drag Along Notice.
- 13.7 On Completion, the Called Shareholders shall deliver stock transfer forms for their shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those shares (or a suitable indemnity in respect thereof) to the Company. On Completion the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 13.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 13.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 13.4 in trust for the Called Shareholders without any obligation to pay interest.

- 13.8 To the extent that the Proposed Buyer has not, on or prior to Completion, put the Company in funds to pay the amounts due pursuant to article 13.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant shares and the Called Shareholders shall have no further rights or obligations under this article 13 in respect of their shares.
- 13.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Controlling Shareholder to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 13.
- 13.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 13 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this article 13.10 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own shares.

#### **14. QUORUM FOR GENERAL MEETINGS**

- 14.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 14.2 Where the Company has only one shareholder for the time being, one qualifying person (as defined in section 318 of the Act) present at the meeting shall be a quorum. In any other case, the quorum shall be:

- (a) the Controlling Shareholder present in person, by proxy or by authorised representative; or
- (b) if the Company does not have the Controlling Shareholder for the time being, any two shareholders present in person, by proxy or by authorised representative.

## **15. PROXIES**

- 15.1 Model Article 45(1)(d) 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".
- 15.2 Model Article 45(1) 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 Model Article.

## **ADMINISTRATIVE ARRANGEMENTS**

### **16. MEANS OF COMMUNICATION TO BE USED**

- 16.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
  - (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (b) if sent by fax, at the time of transmission; or
  - (c) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
  - (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
  - (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

- (f) if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or
- (g) 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; and
- (h) if deemed receipt under the previous paragraphs of this article 16.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

16.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

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

## **17. INDEMNITY AND INSURANCE**

17.1 Subject to article 17.2, 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 in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, or regulatory investigation or action, in which judgment is given in his favour or in which he is acquitted or the proceedings are, or the investigation or action is,

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, investigation, action or application referred to in article 17.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

17.2 This article 17 does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

17.3 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.

17.4 In this article 17:

- (a) **associated company** means any member of the Group and **associated companies** shall be construed accordingly;
- (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) 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).