

## SCHEDULE 2

Regulation 17(1)(b)

### Groups of undertakings

#### **Aggregation**

1. Subject to paragraphs 3 and 4, two or more highest parent groups may comply with the Scheme as one participant.

2. Where paragraph 1 applies, all the highest parents in those highest parent groups must agree in writing which of them is to be the responsible undertaking in relation to the participant's compliance with the Scheme and, in the absence of such agreement, each highest parent is the responsible undertaking in relation to the compliance of its highest parent group.

#### **Disaggregation**

3. Subject to paragraph 4, the relevant undertakings comprising a highest parent group may comply with the Scheme—

- (a) as individual participants,
- (b) as two or more participants,
- (c) by a combination of sub-paragraphs (a) and (b)

provided every undertaking comprising the highest parent group complies with the Scheme.

4. An undertaking may only comply with the Scheme other than as a member of the highest parent group where that is agreed in writing by the undertaking and the highest parent.

5. Where an undertaking complies as an individual participant in accordance with paragraph 3(a) or (c), it is the responsible undertaking in relation to its compliance with the Scheme.

6. Where two or more undertakings comply as one participant in accordance with paragraph 3(b) or 3(c), those undertakings must agree in writing which of them is to be the responsible undertaking in relation to their compliance with the Scheme, and in the absence of such agreement, each undertaking is responsible for its own compliance with the Scheme.

#### **Change of group**

7. Any undertaking which is a member of a highest parent group, or of a participant formed in accordance with paragraph 3(b) or (c), on the qualification date, and ceases to be part of that group or participant before the compliance date—

- (a) may agree in writing with the highest parent that it will comply with the Scheme as if it were still a member of that group or participant,
- (b) may agree in writing with the highest parent of another highest parent group that it will comply with the Scheme as a member of that group, or
- (c) in the absence of an agreement made in accordance with sub-paragraph (a) or (b), must comply with the Scheme on its own behalf.

8. Where paragraph 7(a) or (b) applies, the undertaking must use the same reference period as the relevant participant.

9. Where paragraph 7(c) applies, the undertaking is the responsible undertaking in relation to its compliance with the Scheme.

### **Compliance of franchise undertakings as a group**

**10.** Subject to paragraph 11, two or more franchise undertakings may comply with the Scheme as one participant.

**11.** Where paragraph 10 applies, those franchise undertakings must agree in writing that they will comply with the Scheme as one participant, and which of them is to be the responsible undertaking in relation to their compliance.

**12.** In these Regulations—

- (a) a “franchise agreement” exists where one undertaking (“the franchisee”) and another undertaking (“the franchisor”) agree that—
  - (i) the franchisee carries on a business activity which is the sale or distribution of goods or the provision of services (the “franchise business”),
  - (ii) the franchise business is carried on under a name which the franchisor provides to the franchisee,
  - (iii) the premises where the franchise business is carried on are used exclusively for that business by the franchisee, and
  - (iv) those premises have an internal or external appearance agreed by the franchisor and that appearance is similar to that of other premises in respect of which the franchisor has entered into a franchise agreement,
- (b) where a franchise agreement exists, “franchise premises” means—
  - (i) the premises described in sub-paragraph (a), and
  - (ii) any other premises used by the franchisee in relation to carrying on the franchise business,
- (c) a “franchise undertaking” means the franchisor, and any franchisee, that are party to a franchise agreement,
- (d) a franchise agreement does not exist where the franchisee and the franchisor are group undertakings in relation to each other.

### **Determinations**

**13.—(1)** A compliance body may determine whether or not a relevant undertaking is a member of a participant.

(2) A determination under sub-paragraph (1) must be made in writing and include information about appeals under Part 9 of these Regulations and, within 10 days of making the determination, be served on the relevant undertakings the compliance body considers are affected by it.