

Companies Act 2006
Private company limited by shares

ARTICLES OF ASSOCIATION

THE KILMARNOCK FOOTBALL CLUB LIMITED

Company Number SC006219
Adopted by special resolution on 14th March 2014

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PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms and interpretation

1.1 In the Articles, unless the context requires otherwise:

"alternate" or "alternate director"	has the meaning given in Article 25
"appointor"	has the meaning given in Article 25
"Articles"	the company's articles of association
"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than Scotland which have an effect similar to that of bankruptcy
"board"	the board of directors
"call"	has the meaning given in Article 47.1
"call notice"	has the meaning given in Article 47.1
"CEB"	means the Community Engagement Board to be established by the board as set out in Article 28
"CEB Director"	means the director to be appointed to the board by the CEB as set out in Article 21.2
"CEB Observer"	means the observer of the board to be appointed by the CEB as set out in Article 21.5
"chairman"	has the meaning given in Article 13
"chairman of the meeting"	has the meaning given in Article 33
"Companies Acts"	the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company
"company" or "the Club"	The Kilmarnock Football Club Limited
"company's lien"	has the meaning given in Article 45.1
"director"	a director of the company, and includes any person occupying the position of director, by whatever name called
"distribution recipient"	has the meaning given in Article 68
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form
"electronic form"	has the meaning given in section 1168 of the Companies Act 2006
"Fit and Proper Person"	means a person who meets the standards determined by a relevant Governing Body to hold the office of director of a professional football club in Scotland
"fully paid"	in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share

	have been paid to the company
"Governing Body"	means a football governing body, authority or organisation having jurisdiction in relation to the football activities of the company from time to time including, but not limited to, the Scottish Football Association; the Scottish Professional Football League; Union des Associations Européennes de Football; and Fédération Internationale de Football Association
"hard copy form"	has the meaning given in section 1168 of the Companies Act 2006
"holder"	in relation to shares means the person whose name is entered in the register of members as the holder of the shares and "shareholder" shall be interpreted accordingly
"instrument"	a document in hard copy form
"lien enforcement notice"	means a notice from the company to a shareholder exercising the company's lien in accordance with the provisions of Article 46.2
"member"	has the meaning given in section 112 of the Companies Act 2006
"Minority Shareholders"	those shareholders of the company who (for the purposes of the Articles) hold less than 2,000 shares and who have been a shareholder on a continuous basis for in excess of 3 years immediately prior to their candidacy for election to the CEB
"ordinary resolution"	has the meaning given in section 282 of the Companies Act 2006
"paid"	paid or credited as paid
"participate"	in relation to a directors' meeting, has the meaning given in Article 7
"proxy notice"	has the meaning given in Article 39
"Season Ticket Holders"	those supporters of the Club who (for the purposes of the Articles) are individuals over the age of 21 and have held an adult season ticket issued by the Club for a minimum of 3 consecutive seasons immediately prior to their candidacy for election to the CEB
"shares"	shares in the company
"special resolution"	has the meaning given in section 283 of the Companies Act 2006
"subsidiary"	has the meaning given in section 1159 of the Companies Act 2006
"transfer of shares"	includes, without limitation: <ul style="list-style-type: none"> (i) any sale or other disposition including by way of mortgage, charge or other security interest of the whole or any part of the legal or beneficial interest in any shares; (ii) the grant of any option or other rights over the whole or any part of the legal or beneficial interest in any shares; (iii) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares that a share be allotted or issued or

transferred to some person other than himself; and

- (iv) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it or issue of a derivative interest in a share) (i) whether or not by the relevant holder, (ii) whether or not for consideration, (iii) whether or not effected by an instrument in writing and (iv) whether or not made voluntarily or by operation of law

"transmittee" a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law

"writing" the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

- 1.2 Unless the context otherwise requires, other words or expressions contained in the Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the company.
- 1.3 The regulations in The Companies (Model Articles) Regulations 2008 and any other Articles or regulations that apply to companies under the Statutes shall not apply to the company and the Articles alone shall constitute the regulations of the company.
- 1.4 Article headings and the use of bold type in the Articles are included for ease of reference only and shall not affect the construction or interpretation of the Articles.
- 1.5 References to any gender include references to each other gender (including neuter) and references to the singular include the plural and vice versa.
- 1.6 Any phrase introduced by the term "**include**", "**including**", "**in particular**", "**other**" or any similar general term is not limited by any particular examples preceding or following those general terms.
- 1.7 Where any of the provisions of the Articles are stated to apply to an Article referred to by its principal number only, those provisions shall apply (where relevant) to all and any Articles designated by that number and a further number.

2. Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority

Subject to the Articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

4. Members' reserve power

- 4.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

- 4.3 No alteration of the Articles invalidates anything which the directors have done before such alteration.

5. Directors may delegate

- 5.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:
- 5.1.1 to such person or committee;
 - 5.1.2 by such means (including by power of attorney);
 - 5.1.3 to such an extent;
 - 5.1.4 in relation to such matters or territories; and
 - 5.1.5 on such terms and conditions, as they think fit.
- 5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 5.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

6. Committees

- 6.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.
- 6.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

PROCEDURES AT DIRECTORS' MEETINGS

7. Participation in directors' meetings

- 7.1 Subject to the Articles, directors "**participate**" in a directors' meeting, or part of a directors' meeting, when:
- 7.1.1 the meeting has been called and takes place in accordance with the Articles; and
 - 7.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 7.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 7.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

8. Calling a directors' meeting

- 8.1 Any director may call a directors' meeting by giving notice, or by authorising the company secretary (if any) to give notice (which notice need not be in writing) of the meeting to each director, and the notice must indicate:
- 8.1.1 the proposed date and time of the meeting;
 - 8.1.2 where the meeting is to take place; and
 - 8.1.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 8.2 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days

after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

9. Directors to take decisions collectively

- 9.1 The general rule about decision-making by directors is that any decision of the directors must be either:
- 9.1.1 a majority decision at a meeting; or
 - 9.1.2 in the form of a directors' written resolution.
- 9.2 Subject to the Articles, each director participating in a directors' meeting has one vote.

10. Proposing directors' written resolutions

Any director may propose a directors' written resolution by giving notice of the proposed resolution in writing to each director, and the notice must indicate:

- 10.1 the proposed resolution; and
- 10.2 the time by which it is proposed that the directors should adopt it.

11. Adoption of directors' written resolutions

- 11.1 A proposed directors' written resolution is adopted when a majority in number of the directors who would have been entitled to vote on the resolution, and have their vote counted, at a directors' meeting have signed one or more copies of it or otherwise indicated their agreement in writing, provided that those directors who have signed it or indicated their agreement would have formed a quorum at such a meeting.
- 11.2 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.
- 11.3 A written resolution signed by an alternate director need not also be signed by or agreed to by his appointor.
- 11.4 The directors must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least 10 years from the date of their adoption.

12. Quorum for directors' meetings

- 12.1 Subject to the provisions of Article 12.3, the quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is 2.
- 12.2 For so long as two or more directors are appointed to the board, at a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.3 For so long as there is a sole director in office, such director shall be entitled to exercise all powers and authority as a director of the company.

13. Chairing directors' meetings

- 13.1 The directors may appoint a director to chair their meetings.
- 13.2 The person so appointed for the time being is known as the "**chairman**".
- 13.3 The directors may terminate the appointment of the chairman at any time.
- 13.4 If the chairman is not participating in a meeting within 10 minutes of the time at which it was to start, the participating directors may appoint one of themselves to chair it.

14. Chairman's casting vote at directors' meetings

If the numbers of votes by directors who would have been entitled to vote and have their vote counted, at a directors' meeting for and against a proposal are equal, the chairman or other director chairing the meeting shall have a casting vote.

15. Alternates voting at directors' meetings

A director who is also an alternate director has an additional vote on behalf of each appointor who is:

- 15.1 not participating in a directors' meeting; and
- 15.2 would have been entitled to vote if they were participating in it.

16. Directors' discretion to make further rules

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

DIRECTORS' INTERESTS

17. Directors' interests - general

- 17.1 For the purposes of Articles 17 to 20:
 - 17.1.1 an interest of a person who is connected (within the meaning of section 252 of the Companies Act 2006) with a director is treated as an interest of the director; and
 - 17.1.2 in the case of an alternate director, the interest of his appointor is treated as an interest of the alternate director in addition to any interest, which the alternate director may have.
- 17.2 The company may by ordinary resolution ratify any matter not properly authorised by reason of non-compliance with any of the provisions of Articles 17 to 20.

18. Directors' interests in transactions or arrangements with the company

- 18.1 If he has declared his interest in accordance with the Companies Acts, a director may:
 - 18.1.1 be a party to, or in any way interested, whether directly or indirectly, in any contract, arrangement or transaction to which the company is a party, or in which the company is in any way interested, whether directly or indirectly;
 - 18.1.2 hold and be remunerated in respect of any office (other than the office of auditor of the company) or employment under the company or any other undertaking in which the company is in any way interested;
 - 18.1.3 may (or any firm of which he is a member, partner or employee may) act in a professional capacity (other than the office of auditor) for the company or any such other undertaking and be remunerated for so acting; and/or
 - 18.1.4 may act as a director or other officer of, or be otherwise interested in, any undertaking promoted by the company.
- 18.2 A director shall not, save as otherwise agreed by him, be accountable to the company for any interest, remuneration, profit or other benefit which he (or a person connected with him) derives from any matter permitted by this Article and no such contract, transaction or arrangement relating thereto is liable to be avoided on the grounds of any such interest or benefit.

19. Directors' power to authorise conflicts of interest

- 19.1 For the purposes of section 175 of the Companies Act 2006, the directors have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.

- 19.2 The power of the directors to authorise any matter under Article 19.1:
- 19.2.1 applies (but is not limited) to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity); and
 - 19.2.2 does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.
- 19.3 Authorisation of a matter under this Article is effective only if:
- 19.3.1 the matter in question has been proposed in writing for consideration at a meeting of the directors in accordance with the board's normal procedures or such other manner as the directors may decide;
 - 19.3.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question or any other interested director; and
 - 19.3.3 the matter was agreed to without such director (or directors) voting, or would have been agreed to if the votes of any interested directors had not been counted.
- 19.4 Any authorisation of a matter under this Article shall be subject to such conditions, limitations and/or terms as the directors may decide, whether at the time such authorisation is given or subsequently, and may be varied or revoked by the directors at any time and at their absolute discretion. Such conditions, limitations and/or terms may include, without limitation, that:
- 19.4.1 the director shall notify the board as soon as practicable of any significant change in the circumstances proposed for consideration under Article 19.3.1;
 - 19.4.2 the director shall not be required or entitled to attend those parts of meetings of the directors (or a committee thereof) at which the matter under consideration is discussed;
 - 19.4.3 the director shall not be entitled to receive any papers or other documents in relation to, or concerning, the matter under consideration; and
 - 19.4.4 any information obtained by the director, other than in his capacity as a director or employee of the company, which is confidential in relation to a third party, need not be disclosed or used for the benefit of the company where such disclosure or use would constitute a breach of confidence.
- 19.5 Subject to any such conditions, limitations and/or terms imposed by the directors, any authorisation given shall be deemed to be given to the fullest extent permitted by the Companies Acts. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation.
- 19.6 A director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under this Article and any such related contract, transaction or arrangement relating is not liable to be avoided on the grounds of any such benefit.
- 19.7 Without prejudice to Article 19.4.1, any authorisation of a matter under this Article shall extend to any actual or potential conflict of interest, which may reasonably be expected by the directors, at the time such authorisation is given, to arise out of the matter so authorised.

20. No restrictions on quorum and voting where a director has an interest

- 20.1 Save as provided in this Article or Article 19.3, provided that a director has declared his interest in accordance with the Companies Acts, he shall be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he (or a person connected with him) is interested.
- 20.2 A director shall not be counted in a quorum at a meeting of the directors in relation to any resolution on which he is not entitled to vote.
- 20.3 Proposals concerning any matters relating to the appointment of 2 or more directors to offices or employments with the company or any undertaking in which the company is interested may

be divided and considered in relation to each director separately. In such case each of the directors concerned (provided he is not otherwise barred from voting) is entitled to vote and be counted in the quorum in respect of each resolution, except that concerning his own appointment.

- 20.4 If any question arises at any meeting as to the entitlement of any director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling (in relation to any director other than himself) is final and conclusive unless the interest has not been fairly disclosed. If any such question arises in respect of the chairman, it shall be decided by the directors (other than the chairman) and their ruling is final and conclusive unless the interest has not been fairly disclosed.

APPOINTMENT OF DIRECTORS AND OBSERVERS

21. Methods of appointing directors and observers

- 21.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
- 21.1.1 by ordinary resolution; or
 - 21.1.2 by written notice submitted to the company from a member or members holding a majority of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006); or
 - 21.1.3 by a decision of the directors.
- 21.2 The CEB shall be entitled to appoint as a director of the company one person who is a member of the CEB and who is not an employee or an existing director of the company (the **"CEB Director"**). Subject to the following provisions of this Article 21.2 and the provisions of Article 22 below, the CEB Director shall have a fixed appointment term of 12 months but may be reappointed for a 2nd term on notice to the company from the CEB. The CEB shall further be entitled to remove a CEB Director from office and to appoint another person in their place by notice to the company. Where any director appointed by the CEB ceases to be a director due to any of the provisions of Article 22 the CEB shall be entitled to appoint another person in their place. For the avoidance of doubt, the CEB Director shall not be entitled to be remunerated by the company for service as the CEB Director.
- 21.3 In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director. If 2 or more members die in circumstances making it uncertain who was the last to die, a younger member is deemed to have survived an older member.
- 21.4 If the company has only one member, the appointment by the directors of any person willing to act to be a director shall always be subject to the prior approval of that sole member.
- 21.5 In addition to the right to appoint a director of the company in terms of Article 21.2, at any time whilst the CEB has not appointed a director the CEB shall be entitled to send a member of the CEB as an observer who may attend and speak (but not vote) at meetings of the board (the **"CEB Observer"**).
- 21.6 Subject to the provisions of Article 21.7, the CEB Director and CEB Observer shall each be entitled to receive notice of all board meetings and to receive copies of all board papers in advance of board meetings on a confidential basis and shall, if requested by the board, enter into a confidentiality agreement in favour of the company.
- 21.7 The board may at its discretion determine to exclude any CEB Director or CEB Observer from any board meeting where the business of the meeting is commercially sensitive and the board believe that it is in the interests of the company that a CEB Director or CEB Observer should not attend and in such circumstances the entitlement of any CEB Director or CEB Observer to receive copies of the board papers relating to such meeting shall not apply.

22. Termination of director's appointment

A person ceases to be a director as soon as:

- 22.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 22.2 a bankruptcy order is made against that person;
- 22.3 where that person is a shareholder holding partly paid shares, if he fails to pay up any sum due to be paid in respect of such shares on a call on the date for due payment or on a date fixed for payment of any sum due on such shares by or in accordance with the terms of issue;
- 22.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 22.5 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 22.6 notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms;
- 22.7 that person has for more than 6 consecutive months been absent without permission of the directors from directors' meetings held during that period and the directors resolve that that person should cease to be a director;
- 22.8 the company receives a written notice to such effect from a member or members holding such number of shares in the capital of the company as carry 75% of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006);
- 22.9 in the case of a CEB Director the company receives notice from the CEB intimating termination of that director's appointment, such director completes his 12 month term in office from date of first appointment without intimation of reappointment by the CEB or such director completes a 24 month term in office from date of first appointment; or
- 22.10 a relevant Governing Body has communicated to the company in writing, that after proper consideration of a complaint against a director, they have determined that such director is not a Fit and Proper Person.

23. Directors' remuneration

- 23.1 Directors may undertake any services for the company that the directors decide.
- 23.2 Directors are entitled to such remuneration as the directors determine:
 - 23.2.1 for their services to the company as directors; and
 - 23.2.2 for any other service which they undertake for the company.
- 23.3 Subject to the Articles, a director's remuneration may:
 - 23.3.1 take any form; and
 - 23.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 23.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 23.5 Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

24. Directors' expenses

The company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if one has been appointed) properly incur in connection with their attendance at:

- 24.1 meetings of directors or committees of directors;
- 24.2 general meetings; or
- 24.3 separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

ALTERNATE DIRECTORS

25. Appointment and removal of alternates

- 25.1 Subject to the provisions of Article 25.5, any director (the "**appointor**") (other than an alternate director) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
 - 25.1.1 exercise that director's powers; and
 - 25.1.2 carry out that director's responsibilities,
 in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- 25.2 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.
- 25.3 The notice must:
 - 25.3.1 identify the proposed alternate; and
 - 25.3.2 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.
- 25.4 If the company has only one member, the appointment of an alternate director shall always be subject to the prior approval of that sole member.
- 25.5 A CEB Director may appoint as an alternate another member of the CEB who is not an employee or existing director of the Club. Such alternate shall have the powers set out in, and shall be appointed or removed in accordance with, the terms of Articles 25.1 to 25.3 above.

26. Rights and responsibilities of alternate directors

- 26.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- 26.2 Except as the Articles specify otherwise, alternate directors:
 - 26.2.1 are deemed for all purposes to be directors;
 - 26.2.2 are liable for their own acts and omissions;
 - 26.2.3 are subject to the same restrictions as their appointors; and
 - 26.2.4 are not deemed to be agents of or for their appointors.
- 26.3 A person who is an alternate director but not a director:
 - 26.3.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
 - 26.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).
 No alternate may be counted as more than one director for such purposes.
- 26.4 An alternate director is not 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.

27. Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

- 27.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 27.2 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;
- 27.3 on the death of the alternate's appointor;
- 27.4 when the alternate's appointor's appointment as a director terminates; or
- 27.5 when the company receives a written notice to such effect from a member or members holding a majority of the voting rights in the company (within the meaning of section 1159 and paragraph 2 of Schedule 6 of the Companies Act 2006).

PART 3 COMMUNITY ENGAGEMENT

28. Establishment of Community Engagement Board

- 28.1 The board will establish a Community Engagement Board (the "**CEB**") which will work in close cooperation with and subject to the authority of the board of the Club and with the Club's Community Engagement Manager and Supporter Liaison Officer to assist in administering and managing the relationship between the Club and the local community.
 - 28.2 The board will set out the rules and governance of the CEB including the procedures for election of the members of the CEB to be appointed in terms of Articles 28.4.1 and 28.4.2.
 - 28.3 The CEB shall be empowered to engage with the Club's supporters (including individual season ticket holders, supporter's organisations and others) and with individuals, bodies and groups forming part of the local community interested in engaging with the Club in connection with community related projects and activities undertaken by or with the support of the Club.
 - 28.4 The CEB will comprise:
 - 28.4.1 2 elected representatives from the Minority Shareholders;
 - 28.4.2 2 elected representatives from the Season Ticket Holders;
 - 28.4.3 the Community Engagement Manager of the Club;
 - 28.4.4 the Supporter Liaison Officer of the Club;
 - 28.4.5 one representative of the board;
- together with the following ex officio office holders (if accepting):
- 28.4.6 the Member of Parliament for Kilmarnock;
 - 28.4.7 the Member of the Scottish Parliament for Kilmarnock;
 - 28.4.8 the Leader of East Ayrshire Council;
 - 28.4.9 the Leader of the opposition group of East Ayrshire Council.
- 28.5 Those members of the CEB set out in Articles 28.4.1 to 28.4.5 above shall be entitled to appoint another person approved by the CEB to attend and vote at meetings in their absence for a maximum of 3 board meetings in any calendar year however the ex officio office holder appointments shall be personal to such office holders and shall not be so entitled.
 - 28.6 The CEB will have authority to co-opt up to 2 additional persons approved by the board to be members of the CEB in order to ensure that the CEB may operate with a quorum of 5 members for meetings and to take account of any vacancy in the acceptance of ex officio positions or the availability of the ex officio members to attend meetings of the CEB.

- 28.7 The CEB shall be entitled to appoint a chairperson of the CEB who shall chair meetings and shall have a casting vote in the event of an equality of votes at any meeting.

PART 4 DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

29. Annual General Meeting

- 29.1 The company shall hold an annual general meeting in each accounting year of the company (the “**AGM**”) which shall be convened by the board. All other meetings of the members of the company shall be general meetings.
- 29.2 The business of the AGM shall include the laying of the annual report and accounts of the company, the appointment of auditors of the company and such other business as the directors may think necessary and appropriate.
- 29.3 All members of the company shall be invited to the AGM and shall be entitled to attend and speak.

30. Notice of general meetings

- 30.1 Notice of general meetings need not be given to members who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company.
- 30.2 A member present, in person or by proxy, at any general meeting or meeting of the holders of any class of shares shall be deemed to have received the relevant notice of the meeting.
- 30.3 Every person who becomes entitled to a share shall be bound by any notice given in respect of that share which, before his name is entered into the register of members, had been duly given to the person from whom he derived his title.

31. Attendance and speaking at general meetings

- 31.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 31.2 A person is able to exercise the right to vote at a general meeting when:
- 31.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 31.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 31.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 31.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 31.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

32. Quorum for general meetings

- 32.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

- 32.2 A quorum for a general meeting will be constituted by either:
- 32.2.1 such number of members present in person, by proxy or (in the case of a corporate shareholder) by representative as hold in aggregate 50.1% or more of the issued share capital of the company; or
 - 32.2.2 by 20 members present in person or by proxy or (in the case of a corporate shareholder) by representative.

33. Chairing general meetings

- 33.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 33.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- 33.2.1 the directors present; or
 - 33.2.2 (if no directors are present), the meeting;
- must appoint a director or member (which may include a proxy or corporate representative) to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 33.3 The person chairing a meeting in accordance with this Article is referred to as "**the chairman of the meeting**".

34. Attendance and speaking by directors and non-members

- 34.1 Directors may attend and speak at general meetings, whether or not they are members.
- 34.2 The chairman of the meeting may permit other persons who are not:
- 34.2.1 members of the company; or
 - 34.2.2 otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting.

35. Adjournment

- 35.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 35.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- 35.2.1 the meeting consents to an adjournment; or
 - 35.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 35.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 35.4 When adjourning a general meeting, the chairman of the meeting must:
- 35.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
 - 35.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 35.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 35.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and

- 35.5.2 containing the same information which such notice is required to contain.
- 35.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

36. Voting: general

- 36.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.
- 36.2 At any time when the company has only one member, any decision which may be taken by the company in general meeting may be made by that member and is as valid as if agreed by the company in general meeting. Unless such decision is made by way of a written resolution, the sole member shall provide the company with a written record of the decision. Failure to do so will not affect the validity of any such decision and a person dealing with the company is not concerned to inquire whether a written record has been provided to the company in accordance with this Article.
- 36.3 The voting entitlements of members are subject to any rights or restrictions attached to the shares held by them, whether or not such rights or restrictions are set out in the Articles.

37. Errors and disputes

- 37.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 37.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

38. Poll votes

- 38.1 A poll on a resolution may be demanded:
- 38.1.1 in advance of the general meeting where it is to be put to the vote; or
 - 38.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 38.2 A poll may be demanded by:
- 38.2.1 the chairman of the meeting;
 - 38.2.2 the directors;
 - 38.2.3 two or more persons having the right to vote on the resolution;
 - 38.2.4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution; or
 - 38.2.5 a person or persons holding shares in the company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right.
- 38.3 A demand for a poll may be withdrawn if:
- 38.3.1 the poll has not yet been taken; and
 - 38.3.2 the chairman of the meeting consents to the withdrawal.
- 38.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.
- 38.5 A demand for a poll by a person as proxy for a member shall be the same as a demand by the relevant member.

39. Content of proxy notices

- 39.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

- 39.1.1 states the name and address of the member appointing the proxy;
 - 39.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 39.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 39.1.4 is delivered to the company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 39.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 39.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 39.4 Unless a proxy notice indicates otherwise, it must be treated as:
- 39.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 39.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

40. Delivery of proxy notices

- 40.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 40.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 40.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 40.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

41. Amendments to resolutions

- 41.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 41.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - 41.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 41.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- 41.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 41.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 41.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

RESTRICTIONS ON MEMBERS' RIGHTS

42. Voting on part paid shares

No voting rights attached to a partly paid share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it if a call has been made in respect of sums due to the company in respect of that share which has not been satisfied or if the holder of the share concerned is treated as having failed to comply with a call notice in terms of Article 49.2.

APPLICATION OF RULES TO CLASS MEETINGS

43. Class meetings

The provisions of the Articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

PART 5 SHARES AND DISTRIBUTIONS

ISSUE OF SHARES

44. Power to increase share capital

The company may increase its share capital by the allotment and issue of new shares, subject to and in accordance with the provisions of the Companies Acts and the Articles (and, in particular, part 7 of the Articles).

45. Company's lien over shares

- 45.1 The company has a lien (the "**company's lien**") over every share which is partly paid for any part of -
- 45.1.1 that share's nominal value; and
 - 45.1.2 any premium at which it was issued,
- which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.
- 45.2 The company's lien over a share:
- 45.2.1 takes priority over any third party's interest in that share; and
 - 45.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- 45.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

46. Enforcement of the company's lien

- 46.1 Subject to the provisions of this Article 46, if:
- 46.1.1 a lien enforcement notice has been given in respect of a share; and
 - 46.1.2 the person to whom the notice was given has failed to comply with it,
- the company may sell that share in such manner as the directors decide.
- 46.2 A "**lien enforcement notice**":

- 46.2.1 may only be given in respect of a share which is subject to the company's lien and in respect of a sum payable to the company for which the due date for payment has passed;
 - 46.2.2 must specify the share concerned;
 - 46.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
 - 46.2.4 must be addressed either to the holder of the share or to a transmittee of that holder; and
 - 46.2.5 must state the company's intention to sell the share if the notice is not complied with.
- 46.3 Where shares are sold under this Article 46:
- 46.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser; and
 - 46.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 46.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 46.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - 46.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the lien enforcement notice.
- 46.5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:
- 46.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - 46.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

47. Call notices

- 47.1 Subject to the Articles and to the terms on which shares are allotted, the directors may send a notice (a "**call notice**") to a shareholder requiring the shareholder to pay the company a specified sum of money (a "**call**") which is payable in respect of shares in the company held by that shareholder at the date when the directors decide to send the call notice.
- 47.2 A call notice:
- 47.2.1 may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether in respect of nominal value or premium);
 - 47.2.2 must state when and how any call to which it relates is to be paid; and
 - 47.2.3 may permit or require the call to be made in instalments.
- 47.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- 47.4 Before the company has received any call due under a call notice the directors may:

- 47.4.1 revoke it wholly or in part; or
- 47.4.2 specify a later time for payment than is specified in the notice,
by a further notice in writing to the shareholder in respect of whose shares the Call is made.

48. Liability to pay calls

- 48.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 48.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 48.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
 - 48.3.1 to pay calls which are not the same; or
 - 48.3.2 to pay calls at different times.

49. When call notice need not be issued

- 49.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share (whether in respect of nominal value or premium):
 - 49.1.1 on allotment;
 - 49.1.2 on the occurrence of a particular event; or
 - 49.1.3 on a date fixed by or in accordance with the terms of issue.
- 49.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

50. Failure to comply with call notice: automatic consequences

- 50.1 If a person is liable to pay a call and fails to do so by the call payment date:
 - 50.1.1 the directors may issue a notice of intended forfeiture to that person; and
 - 50.1.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.
- 50.2 For the purposes of this article 50:
 - 50.2.1 the "**call payment date**" is, subject to article 47.3, the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**call payment date**" is that later date; and
 - 50.2.2 the "**relevant rate**" is
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
 - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
 - (iii) if no rate is fixed in either of these ways, 5% per annum.
- 50.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.
- 50.4 The directors may waive any obligation to pay interest on a call wholly or in part.

51. Notice of intended forfeiture

- 51.1 A notice of intended forfeiture:

- 51.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
- 51.1.2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;
- 51.1.3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- 51.1.4 must state how the payment is to be made; and
- 51.1.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

52. Directors' power to forfeit shares

If a notice of intended forfeiture is not complied with before the date by which payment of the Call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

53. Effect of forfeiture

- 53.1 Subject to the Articles, the forfeiture of a share extinguishes:
 - 53.1.1 all interests in that share, and all claims and demands against the company in respect of it; and
 - 53.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- 53.2 Any share which is forfeited in accordance with the Articles:
 - 53.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
 - 53.2.2 is deemed to be the property of the company; and
 - 53.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 53.3 If a person's shares have been forfeited:
 - 53.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of shareholders;
 - 53.3.2 that person ceases to be a shareholder in respect of those shares;
 - 53.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation;
 - 53.3.4 that person remains liable to the company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
 - 53.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 53.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit.

54. Procedure following forfeiture

- 54.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

- 54.2 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
- 54.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - 54.2.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- 54.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- 54.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:
- 54.4.1 was, or would have become, payable; and
 - 54.4.2 had not, when that share was forfeited, been paid by that person in respect of that share,
- but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

55. Surrender of shares

- 55.1 A shareholder may surrender any share:
- 55.1.1 in respect of which the directors may issue a notice of intended forfeiture;
 - 55.1.2 which the directors may forfeit; or
 - 55.1.3 which has been forfeited.
- 55.2 The directors may accept the surrender of any such share.
- 55.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 55.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

56. Powers to issue different classes of share

- 56.1 Subject to the Articles, but without prejudice to the rights attached to any existing shares, the company may issue further classes of shares with such rights or restrictions as may be determined by ordinary resolution.
- 56.2 The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.
- 56.3 In the event that the rights and restrictions attaching to shares are determined by ordinary resolution or by the directors pursuant to this Article, those rights and restrictions shall apply (in particular, in place of any rights and restrictions that would otherwise apply by virtue of the Companies Act 2006 in the absence of any provisions in a company's Articles) as if those rights and restrictions were set out in the Articles.

INTERESTS IN SHARES

57. Company not bound by less than absolute interests

- 57.1 Except as required by law or the Articles, the company is not bound by or compelled to recognise (even when having notice) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles or otherwise provided by law) any other right in respect of any share, except an absolute right of the holder to the whole of the share or, in the case of a share warrant, to the bearer of the warrant for the time being.

- 57.2 The company is entitled, but is not bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the company. Notwithstanding any such recognition, the company is not bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the company and is entitled to recognise and give effect to the acts and deeds of the holders of such shares as if they were the absolute holders. For the purpose of this Article, "trust" includes any right in respect of any shares of the company other than an absolute right of the holder of the share for the time being or such other rights in the case of transmission as are mentioned in the Articles.

SHARE CERTIFICATES

58. Share certificates

- 58.1 The company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.
- 58.2 Every certificate must specify:
- 58.2.1 in respect of how many shares, of what class, it is issued;
 - 58.2.2 the nominal value of those shares;
 - 58.2.3 if the shares are fully or partly paid;
- and
- 58.2.4 any distinguishing numbers assigned to them.
- 58.3 No certificate may be issued in respect of shares of more than one class.
- 58.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 58.5 Certificates must:
- 58.5.1 have affixed to them the company's common seal; or
 - 58.5.2 be otherwise executed in accordance with the Companies Acts.

59. Replacement share certificates

- 59.1 If a certificate issued in respect of a member's shares is:
- 59.1.1 damaged or defaced; or
 - 59.1.2 said to be lost, stolen or destroyed,
- that member is entitled to be issued with a replacement certificate in respect of the same shares.
- 59.2 A member exercising the right to be issued with such a replacement certificate:
- 59.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 59.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - 59.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

TRANSFER AND TRANSMISSION OF SHARES

60. Share transfers

- 60.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and, unless the share is fully paid, the transferee.

- 60.2 A reasonable administration fee at a level to be determined by the board from time to time may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 60.3 The company may retain any instrument of transfer which is registered.
- 60.4 The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.

61. Transmission of shares

- 61.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 61.2 Nothing in the Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.
- 61.3 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
- 61.3.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - 61.3.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder from whom the transmittee derived such entitlement had.
- 61.4 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the event which gave rise to the transmission, unless they become the holders of those shares

62. Exercise of transmittees' rights

- 62.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 62.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 62.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

63. Transmittees bound by prior notices

If a notice is given to a member in respect of shares and a transmittee (or a transferee nominated by such transmittee pursuant to Article 61.3) is entitled to those shares, the transmittee (or the transferee) is bound by the notice if it was given to the member before the transmittee's (or transferee's) name has been entered in the register of members.

64. Purchase of own shares

Subject to the Companies Act 2006 but without prejudice to any other provisions of the Articles, the company may purchase its own shares with cash up to an amount in any financial year not exceeding the lower of:

- 64.1 £15,000; and
- 64.2 the value of 5% of the company's share capital.

65. Missing Members

- 65.1 The company shall be entitled to sell on such terms and in such manner as the directors may determine any share of a member, or any share to which a person is entitled by transmission, if and provided that for a period of 5 years no cheque or warrant or notices of meeting or other communications sent by the company through either (i) the post in a pre-paid letter addressed

to the member (or to the person entitled by transmission to the share) at his address in the register of members or other last known address given by the member (or the person entitled by transmission) as the address to which cheques and warrants or notices of meeting or other communications are to be sent has been cashed or has been returned to the company or (ii) any electronic address provided to the company by the member or the person entitled by transmission as the address to which communications should be sent and no communication has been received by the company from the member or the person entitled by transmission, and the company has, at the expiration of the said 5 years, by advertisement in a newspaper circulating in the area in which the address referred to is located given notice of its intention to sell such shares.

- 65.2 To give effect to any such sale the company may appoint any person to execute an instrument of transfer of such shares on behalf of the transferor and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share. The company shall account to the member or other person entitled to such shares for the net proceeds of such sale by carrying monies in respect thereof to a separate account which shall be a permanent debt of the company and the company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Monies carried to such separate account may be employed in the business of the company or invested in such investments (other than shares of the company) as the directors may from time to time think fit.
- 65.3 The price per share paid in respect of such shares shall be in any case where a member's holding of shares to be sold under this Article 65 is less than 1,000 shares, the price per share paid for the most recent ordinary share allotted by the company, and in any other case shall be the price fixed by the auditors of the company. In ascertaining such price for the purposes of this Article 65:
- 65.3.1 proper regard shall be had not only to the maintainable earnings but also to the underlying value of the assets of the company; and
- 65.3.2 the auditors shall proceed on the basis that they are valuing the entire share capital of the company as a single unit and shall then calculate the value of each share in the issued share capital of the company as a percentage of the value corresponding to the percentage of the share capital of the company which such share represents.
- The fees and expenses of the auditors in connection with such determination shall be borne by the company.
- 65.4 The directors may rely upon a valuation prepared by the auditors of the company prepared up to 9 months prior to the date of sale of the shares irrespective of whether such valuation was prepared for the purpose of the proposed sale of shares under this article or for any other reason.
- 65.5 The transferee shall be such person or persons, body, firm or company as the directors shall nominate and, for the avoidance of doubt, may be the company.

DIVIDENDS AND OTHER DISTRIBUTIONS

66. Procedure for declaring dividends

- 66.1 The company may by ordinary resolution declare dividends and the directors may decide to pay interim dividends.
- 66.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 66.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 66.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

- 66.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 66.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 66.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

67. Calculation of dividends

- 67.1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be –
- 67.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
 - 67.1.2 apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 67.2 For the purpose of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

68. Payment of dividends and other distributions

- 68.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 68.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 68.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 68.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - 68.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 68.2 In the Articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
- 68.2.1 the holder of the share; or
 - 68.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 68.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

69. No interest on distributions

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- 69.1 the terms on which the share was issued; or
- 69.2 the provisions of another agreement between the holder of that share and the company.

70. Unclaimed distributions

- 70.1 All dividends or other sums which are:
- 70.1.1 payable in respect of shares; and
 - 70.1.2 unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed.
- 70.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 70.3 If:
- 70.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
 - 70.3.2 the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

71. Non-cash distributions

- 71.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution or by a decision of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 71.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
- 71.2.1 fixing the value of any assets;
 - 71.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - 71.2.3 vesting any assets in trustees.

72. Waiver of distributions

- 72.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect.
- 72.2 If:
- 72.2.1 the share has more than one holder; or
 - 72.2.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

73. Authority to capitalise and appropriation of capitalised sums

- 73.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:
- 73.1.1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
 - 73.1.2 appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

- 73.2 Capitalised sums must be applied:
- 73.2.1 on behalf of the persons entitled; and
 - 73.2.2 in the same proportions as a dividend would have been distributed to them.
- 73.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 73.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 73.5 Subject to the Articles the directors may:
- 73.5.1 apply capitalised sums in accordance with Articles 73.3 and 73.4 partly in one way and partly in another;
 - 73.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
 - 73.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

PART 6 MISCELLANEOUS PROVISIONS

COMMUNICATIONS

74. Means of communication to be used

- 74.1 Subject to the Articles, anything sent or supplied by or to the company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 74.2 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 74.3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

75. Communication by electronic means

The Company may send or supply documents or information to members by making them available on a website or by other electronic means.

ADMINISTRATIVE ARRANGEMENTS

76. Company seals

- 76.1 Any common seal may only be used with the authority of the directors or a committee of the directors authorised by the directors.
- 76.2 The directors may decide by what means and in what form any common seal is to be used.
- 76.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

- 76.4 For the purposes of this Article, an authorised person is:
- 76.4.1 any director of the company;
 - 76.4.2 the company secretary (if any); or
 - 76.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

77. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

78. Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

79. Indemnity

In this Article, the term "**final**" has the meaning given in sections 234(4) and (5) of the Companies Act 2006 (in relation to indemnities falling within section 234) and in sections 235(4) and (5) of the Companies Act 2006 (in relation to indemnities falling within section 235) and the word "**finally**" will be interpreted accordingly. To the fullest extent permitted by the Companies Acts, but not otherwise, the company will indemnify the directors against:

- 79.1 any liabilities incurred by a director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or any associated company and arising out of the performance or purported performance of his duties as a director of the company or any associated company, except for:
- 79.1.1 any liability to the company or any associated company;
 - 79.1.2 any liability of a director to pay:
 - (i) a fine imposed in criminal proceedings; or
 - (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); and
 - 79.1.3 any liability incurred by a director in:
 - (i) the defence of any criminal proceedings where he is finally convicted;
 - (ii) the defence of any civil proceedings brought by the company, or any associated company, where final judgment is given against him; or
 - (iii) any application for relief where the court refuses to grant relief to a director and such refusal is final; and
- 79.2 any liabilities incurred by a director in connection with his being a director of the company or any associated company that is a trustee of a pension scheme and arising out of the company's or associated company's activities as trustee of such pension scheme, except for:
- 79.2.1 any liability of a director to pay:
 - (i) a fine imposed in criminal proceedings; or
 - (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); and

- 79.2.2 any liability incurred by a director in the defence of any criminal proceedings where he is finally convicted; and
- 79.3 any other liability incurred by a director as an officer of the company or any associated company.

80. Insurance

The company may purchase and maintain (at the cost of the company) insurance cover for the benefit of every director, former director or alternate director of the company or of any associated company against all or any of the liabilities referred to in Article 79.

81. Provision of Funds

On the request of a director, the company may, to the extent it considers reasonable and appropriate and at its sole discretion but subject always to the provisions of the Companies Acts:

- 81.1 provide a director with funds, by way of loan on such terms of repayment as the company thinks fit, to meet expenditure incurred or to be incurred by him:
- 81.1.1 in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company or any associated company; and/or
- 81.1.2 in connection with any application for relief;
- 81.2 provide the director with funds to meet expenditure incurred or to be incurred by him in defending himself in any investigation or action by, or against any action proposed to be taken by, a regulatory authority; and
- 81.3 take (or refrain from taking) any action to enable the director to avoid any such expenditure being incurred.

PART 7 SHARE ISSUE PROVISIONS

82. Authority to issue shares and disapplication of statutory pre-emption rights

- 82.1 For so long as there is only one class of share in the company, the directors are authorised for the purposes of section 550 of the Companies Act 2006 to exercise all of the powers of the company:
- 82.1.1 to allot and issue shares; and/or
- 82.1.2 to grant rights to subscribe for or to convert any security into such shares.
- 82.2 In accordance with section 567(1) of the Companies Act 2006, sections 561 and 562 of the Companies Act 2006 shall not apply to the allotment of equity securities (as defined in section 560(1) of the Companies Act 2006) by the company.

83. Payment of commission

Subject to the provisions of and the powers conferred by the Companies Acts, the company may pay commissions and brokerage on the issue of shares.