

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

Of

Ponty Rugby Limited

Company No 04907060

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OF
PONTY RUGBY LIMITED
(Adopted by special resolution passed on [DATE])

Introduction

1. Interpretation

1.1 The following definitions and rules of interpretation 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 and Wales on which banks in London are open for business.

Chairman: a shareholder of the Company and chairman of the Club., who shall be appointed by the shareholders at a general meeting to be responsible for presiding over the Company's general and annual meetings.

Club: Pontypridd Rugby Football Club of The Clubhouse, Sardis Road, Pontypridd, RCT, Wales, CF37 1HA.

Conflict: has the meaning given in article 6.1.

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).

Honorary Life Member: an Honorary Life Member appointed by the shareholders at an annual general meeting in accordance with article 13.

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.

President: means a person appointed president of the Company in accordance with article 12 to promote and represent the interests of the Club.

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and

expressions which have particular meanings in the Act shall have the same meanings in these Articles.

- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time.
- 1.7 Any words following the terms including, include, in particular, for example 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 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.14 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".

- 1.15 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

2. Decisions of directors

- 2.1 Meetings of the directors will make decisions by passing resolutions. A resolution is passed if more votes are cast for it than against it.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3. Calling a directors' meeting

- 3.1 Any director may call a directors' meeting by giving not less than 7 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director in writing.

4. Quorum for directors' meetings

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

5. Transactions or other arrangements with the company

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors in respect of such existing or proposed transaction or arrangement in which he or she is interested;
- (c) shall be entitled to vote at a meeting of directors or participate in any decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;
- (d) may act by himself or herself, or his or her firm in a professional capacity for the company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she 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 or she may otherwise agree, be accountable to the company for any benefit which he or she (or a person connected with him or her (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 or her duty under section 176 of the Act.

6. Directors' conflicts of interest

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

6.2 Any authorisation under this article 6 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 or any other 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 and any other interested director's vote had not been counted.

6.3 Any authorisation of a Conflict under this article 6 may (whether at the time of giving the authorisation or subsequently):

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

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

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

6.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by

the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

7. Records of decisions to be kept

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

8. Number of directors

8.1 Unless otherwise determined by ordinary resolution, the number of directors shall not be more than six.

9. Appointment of directors

9.1 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 by decision of the directors at a directors' meeting.

10. Secretary

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

Chairman

11. Chairman

11.1 Any person may be appointed to act as Chairman by the shareholders at a general meeting provided that that person is:

- (a) a shareholder of the Company; and
- (b) not a director or secretary of the Company.

11.2 The Chairman shall be appointed for a term of 3 years.

11.3 A person shall cease to be Chairman as soon as:

- (a) 75% of the shareholders entitled to vote at a general meeting pass a vote of no confidence in the Chairman; or

- (b) the directors resolve to remove the Chairman in circumstances where the Chairman does an act or thing which in the opinion of the directors brings the Company or the Club into disrepute.
- 11.4 Notwithstanding article 11.1, the board of directors may, in their absolute discretion, appoint an interim Chairman, until a new Chairman can be appointed by the shareholders at a general meeting, in circumstances where:
 - (a) the Chairman's office has been terminated in accordance with article 11.3;
 - (b) the Chairman ceases to be chairman of the Club;
 - (c) the Chairman has resigned from his/her role; or
 - (d) on death of the Chairman.

President

12. President

- 12.1 The board of directors shall, in their absolute discretion, appoint a President for a term as they see fit.
- 12.2 A person shall cease to be President:
 - (a) where the President:
 - (i) resigns from his/her role;
 - (ii) ceases to be president of the Club;
 - (iii) is removed by the board of directors in their absolute discretion; or
 - (b) on death.

Honorary Life Members

13. Honorary Life Members

- 13.1 An Honorary Life Member membership is awarded in recognition of a person's major contribution to the Club over many years on and / or off the field of play. Honorary Life Members are entitled to all the privileges of admission to the Grandstand, Enclosure, Ground, and Clubhouse at Pontypridd RFC home matches without payment of annual subscription of any special payment for such Honorary Life Membership.
- 13.2 Any shareholder can propose a person to be elected as an Honorary Life Member. Where a proposal is made, if it is seconded by another shareholder then the proposed and seconded person can be elected as an Honorary Life Member by resolution of the of the shareholders if the shareholders entitled to vote on the matter at an annual general meeting vote for the resolution to pass.
- 13.3 An Honorary Life Member's membership shall cease:

- (a) if the directors resolve to remove the Honorary Life Member in circumstances where the Honorary Life Member does an act or thing which in the opinion of the directors brings the Company or the Club into disrepute
- (b) on death of the Honorary Life Member.

General Meetings

14. General Meetings

- 14.1 A general meeting of the Company shall be held at any time as the directors may resolve in their absolute discretion, giving no less than 21 days' written notice to the shareholders.
- 14.2 Those entitled to attend general meetings of the Company shall be:
 - (a) The Chairman, who shall chair all general meetings.
 - (b) The board of directors.
 - (c) The shareholders.
 - (d) The Company's auditors or professional advisers.
 - (e) Any other such persons whom the Chairman may invite to assist him/her in conducting the meeting.
- 14.3 The Chairperson shall chair all general meeting and the annual general meeting but shall not have a casting vote if the votes for and against a proposal at a general or annual general meeting are equal.

Annual General Meetings

15. Annual General Meetings

- 15.1 An annual general meeting of the Company shall be held on such day in the months of April or May as the directors may resolve in their absolute discretion, giving no less than 21 days' written notice to the shareholders.
- 15.2 The business to be transacted at the annual general meeting shall include:
 - (a) The Chairman's report.
 - (b) Consideration of the balance sheet and profit and loss account for the financial year.
 - (c) A report on the election of Chairman and/or President and/or any Honorary Life Members.
 - (d) The appointment of auditors.
 - (e) The consideration of any business concerning the affairs of the Company.

Shares

16. Purchase of own shares

- 16.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- (a) £15,000; and
 - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

Administrative arrangements

17. Means of communication to be used

- 17.1 Subject to article 17.3, any notice, document or other information shall be deemed received by the intended recipient:
- (a) if delivered by hand at the time the notice, document or other information is left at the address;
 - (b) if sent by pre-paid first class post or other next working day delivery service providing proof of delivery, at 9.00 am on the second Business Day after posting;
 - (c) if sent by pre-paid airmail providing proof of delivery, at 9.00 am on the fifth Business Day after posting;
 - (d) if sent by email or fax, at the time of transmission; or
 - (e) 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.
- 17.2 If deemed receipt under article 17.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 17.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.
- 17.3 To prove service, it is sufficient to prove that:
- (a) if delivered by hand, the notice was delivered to the correct address; or
 - (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;
 - (c) sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

18. Indemnity

18.1 Subject to article 18.2, 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 or her as a relevant officer:

(i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

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

including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her 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 or her in connection with any proceedings or application referred to in article 18.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

18.3 In this article:

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

(b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his or her capacity as auditor).

19. Insurance

19.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

19.2 In this article:

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his capacity as auditor);
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.