



ARTICLES OF ASSOCIATION

Exeter City AFC Limited – Articles of Association 2020

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PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise –

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“Board” the board of directors of the Club;

“chair of the Board” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Club” means Exeter City AFC Limited;

“CTA” means the Agreement between the Club and Trust of the 24th September 2020 or as from time to time amended as attached hereto at Schedule 2;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called but does not include any associate director, in-house counsel or other officer of the board of directors;

“distribution recipient” has the meaning given in article 31;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic general meeting” means a general meeting hosted on an electronic platform;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“electronic platform” includes, but is not limited to, website addresses and conference all systems;

“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;

“Governance Manual” means the document attached at Schedule 1 hereto and from time to time amended by Board resolution;

“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;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“Ordinary Shares” means ordinary shares of £1 each in the capital of the company.

“paid” means paid or credited as paid;

“**present**” means, for the purposes of physical general meetings, present in person, or, for the purposes of electronic general meetings, present by electronic means (and references to persons attending by electronic means is defined as attendance at electronic general meetings via the electronic platform(s) stated in the notice of such meeting);

“**participate**”, in relation to a directors’ meeting, has the meaning given in article 10;

“**Preference Shares**” means shares of £1 each in the capital of the company with the rights specified at article 22(4);

“**proxy notice**” has the meaning given in article 45;

“**shareholder**” or “**member**” means a person who is the holder of a share;

“**shares**” means Ordinary Shares and Preference Shares;

“**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;

“**transmittee**” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

“**Trust**” means the Exeter City AFC Supporters Society Limited registered number 29339R; and

“**writing**” means 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.

“**objects of the company**” are annexed at Schedule 3 hereto

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

2. 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

Directors’ general authority

3. Subject to the articles, the directors are responsible for the management of the Club’s business, for which purpose they may exercise all the powers of the Club
 - 3.1. Without Prejudice to the above, and without limitation any of the matters reserved to the Board listed in the Governance Manual as annexed hereto at Schedule 1 may be approved by the Board approval subject to additional shareholder approval as required by statute or these articles or the CTA.
 - 3.2. The Board’s authority is limited to the degree as set out in the CTA.

3.3. Untraced Shares

3.3.1. Subject to article 3 (c) 1.2, the Club shall, at its option, be entitled to either purchase, sell to a third party nominated by the directors in their absolute discretion or reduce by way of capital reduction the shares of a member (or any successor in title to such shares) or shares which are issued but do not have an identified holder if:

3.3.2. the Club reasonably believes that the member or the member's successors in title or unidentified holder or any person entitled cannot be traced without expenditure disproportionate to the nominal value of the shareholding in the Club; and

3.3.2.1. either:

3.3.2.1.1. the Club has not had contact from the member or their successor for a period of 24 months prior to the publication of the advertisement referred to in article 3 (c) 1.2, after having written to them at their last known address (unless the Club has no name or address for the holder of the shares or anyone entitled in which case it is not required to write); or

3.3.2.1.2. the Club's register of members identifies the shares but does not identify the member's name or address in whole or in part meaning that the Club has been unable to contact any person who may have title to or be the holder of the shares in question during the period of 24 months prior to the publication of the advertisement referred to in article 3 (c) 1.2

3.3.3. In respect of any relevant shares to which article 3 (c) 1.1 applies ("Untraced Shares"), the Club shall insert an advertisement in a newspaper local to the Club's registered office and in The London Gazette giving notice of its intention to purchase, sell or reduce the Untraced Shares on a date not earlier than twenty one (21) days following the publication of the advertisement. Unless a response is received from any relevant shareholder or that member's successor in title or person proving title within the period specified in the advertisement the Club shall be entitled to proceed with the purchase, sale or reduction of the Untraced Shares, subject to all necessary authorities required at such time (if any) including, if necessary, shareholder resolutions to approve a share buy-back or capital reduction by solvency statement as applicable. The directors shall be entitled to make such enquiries as they think fit of any person responding to such advertisement in order to satisfy themselves as to the legitimate entitlement of such person to the Untraced Shares.

3.3.4. To give effect to any such purchase, sale or reduction, the Club may appoint some other person (in place of the member or other person entitled or in any case where no member is identified) to execute such documents as required, including but not limited to an instrument of transfer of the Untraced Shares, ancillary documentation and a contract for the sale and purchase of the Untraced Shares, and such documents shall be as effective as if they had been executed by the

registered holder or a person entitled by transmission or other person entitled to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the transfer or the proceedings relating to it.

3.3.5. Any capital reduction of shares pursuant to this article may be carried out notwithstanding that other shares of the same class are not similarly reduced pro rata in the same way or otherwise, and the Club shall not be obliged to reduce the shares *pari passu*.

3.3.6. The Untraced Shares shall be either:

3.3.6.1. transferred for consideration which the directors shall determine in their absolute discretion from time to time; or

3.3.6.2. in the case of a capital reduction, shall be reduced and cancelled and the nominal capital and any share premium shall be payable to the member or other person entitled;

and such sums (the “Relevant Amount”) shall not belong to the Company. The Company shall be obliged to account to the former member or other person previously entitled or any person who can or may be able to prove title to the shares, named or otherwise, (“Potential Recipient”) for the Relevant Amount as follows:

3.3.7. if the Untraced Shares are bought back by the Company or reduced by way of capital reduction the Company shall transfer to the Trust the sum due to the Potential Recipient by the Company. The Trust shall account to the Potential Recipient for it pursuant to this Article, and undertake to the Company to comply with the terms of this Article [1.5.3]. The Trust shall enter the name if known of the Potential Recipient (or an equivalent entry to indicate the person is unnamed) in the accounts of the Trust as a creditor for such amount. No trust shall be created and the Trust shall not be required to account for any interest earned on the Relevant Amount, and the Relevant Amount may be employed by the Trust in pursuance of its objects as the trustees think fit (including, without limitation, lending an equivalent amount to the Company provided it is a separate transaction to the buyback of the Untraced Shares). The Trust shall retain the Relevant Amount in its accounts for a period of 9 months following the transfer and if the Relevant Amount has not been claimed by the Potential Recipient at the end of the 9 month period, the Relevant Amount shall belong to the Trust and the Potential Recipient or any other person entitled (potentially or otherwise) shall be removed as a creditor of the Company and shall have no further claim to the Relevant Amount;

3.3.8. if the Untraced Shares are transferred to a third party the Company shall receive the consideration from the third party and shall enter the name if known of the Potential Recipient (or an equivalent entry to indicate the person is unnamed) in the accounts of the Company as a creditor for such amount. No trust shall be created and the Company shall not be required to account for any interest earned on the Relevant Amount, and the Relevant Amount may be employed in the business of the Company or invested in such investments as the directors from time to time think fit. The Company shall retain the Relevant Amount in its

accounts for a period of 9 months following the transfer and if the Relevant Amount has not been claimed by the Potential Recipient at the end of the 9 month period, the Relevant Amount shall belong to the Company and the Potential Recipient or any other person entitled (potentially or otherwise) shall be removed as a creditor of the Company and shall have no further claim to the Relevant Amount.

- 3.4. Company Secretary: the Directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit, and any such secretary so appointed may be removed by them

Shareholders' reserve power

- 4.
- 4.1. The shareholders 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 except with regard to matters specifically listed in the Governance Manual and/or the CTA which require, inter alia, the prior consultation and approval of the Trust.

Directors may delegate

- 5.
- 5.1. Subject to the articles, the Governance Manual, and the CTA the directors may delegate any of the powers which are conferred on them under the articles:
- (a) to such person or committee comprising at least one director;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) 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.

Committees

- 6.
- 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 the provisions of the

Governance Manual and CTA and, if not so specified, then on those provisions of the articles which govern the taking of decisions by directors.

6.2. The CTA and Governance Manual may only be amended with:

- (a) the prior written consent of the Trust, and
- (b) a resolution of the Board with a majority of 75% or more of the directors' present at the Board meeting.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7. Save in relation to para 6(2) above, the general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

Unanimous decisions

8.

- 8.1. A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 8.2. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 8.3. References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 8.4. 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.

Calling a directors' meeting

9.

- 9.1. Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 9.2. Notice of any directors' meeting must indicate -
 - (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) 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.

- 9.3. Notice of a directors' meeting must be given to each director but need not be in writing.
- 9.4. 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.

Participation in directors' meetings

10.
 - 10.1. Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when -
 - (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting, and
 - (c) the meeting is quorate.
 - 10.2. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
 - 10.3. 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.
 - 10.4. Other than as above, no one else except the company secretary may be present during any part of a Board meeting unless by invitation.

Quorum for directors' meetings

11.
 - 11.1. At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
 - 11.2. The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than the greater of:
 - (a) four, or
 - (b) 75% of those directors entitled to attend (rounded to the next highest whole number),at least half of whom are directors appointed by the Trust pursuant to 17(4) below.
 - 11.3. If the total number of directors 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.

Chairing of directors' meetings

12.

- 12.1. The directors shall appoint a director, who has been appointed under article 17 to chair their meetings.
- 12.2. The person so appointed for the time being is known as the “chair of the Board”, and shall remain as the chair of the Board until their appointment is terminated in accordance with article 12(3).
- 12.3. The directors may terminate the chair of the Board’s appointment at any time, but following the termination, shall immediately appoint another chair of the Board in accordance with article 12(1).
- 12.4. If the chair of the Board is not participating in a directors’ meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.
- 12.5. The chair of the Board shall not have a vote unless the directors resolve by a majority of at least 75% to allow the chair to have such a vote. Such a resolution will only apply to votes on matters specified by the directors when they pass their resolution OR only apply to votes held at the meeting at which the resolution was passed OR will apply to all future votes at the current and future meetings until the resolution is reversed by a resolution of at least 75% of directors.

Casting vote

13. Board decisions shall be by a simple majority of those present. The chair of the Board shall not have a casting vote unless the directors, having acted in accordance with article 12, determine to allow the chair to have such vote.

Conflicts of interest

14.

- 14.1. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, or other actual or potential conflict of interest, that director is not to be counted as participating in the decision-making process for quorum or voting purposes unless before such participation such conflict is disclosed and at least 75% or more of the other directors agree to the contrary.
- 14.2. But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 14.3. This paragraph applies when—
 - (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (b) the director’s interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director’s conflict of interest arises from a permitted cause.

- 14.4. For the purposes of this article, the following are permitted causes—
(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- 14.5. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 14.6. Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair of the Board whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 14.7. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

16. Subject to the articles, the CTA and the Governance Manual (which shall take precedence over this rule), 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.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

- 17.
- 17.1. The number of directors appointed to the Board shall always be an odd number, and for the avoidance of doubt, the chair of the Board is included in calculating the number of directors for this article 17(1).
- 17.2. 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 -
(a) by ordinary resolution, or
(b) by a decision of the Board.

- 17.3. Any number of directors may be appointed in accordance with article 17(2).
- 17.4. The Trust shall appoint a number of directors to the Board equal to the number of directors appointed under article 17(2).
- 17.5. For the purposes of article 17(3) and article 17(4), any director appointed as chair of the Board in accordance with article 12(1) shall not be counted for calculating the number of directors appointed under each of these articles.
- 17.6. The Trust can remove and reappoint any of its directors appointed under article 17(4) at any time. For the avoidance of doubt, the Trust can exercise this power to remove a director it has appointed but which has been appointed as chair of the Board under article 12(1).
- 17.7. A director shall be appointed for a maximum period of 3 years, whereupon they shall resign but be entitled to immediately be reappointed to the Board by:
- (a) the Board passing a resolution to reappoint them, or
 - (b) the Trust reappointing them.
- 17.8. If a director is reappointed to the Board:
- (a) under article 17(7) (a), the director will be one of the directors which the shareholders and Board are entitled to appoint under article 17(2);
 - (b) under article 17(7) (b), the director will be one of the directors the Trust shall appoint to the Board under article 17(4).

Termination of director's appointment

18. A person ceases to be a director as soon as -
- (a) 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;
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (d) 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;
 - (e) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
 - (f) they have served a period of 3 years, and neither the Board nor the Trust have reappointed them under article 17(7).

Directors' remuneration

- 19.
- 19.1. Directors may undertake any services for the company that the directors decide.
- 19.2. Directors are entitled to such remuneration as the directors determine -
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.

- 19.3. Subject to the articles, the Governance Manual and the CTA, a director's remuneration may -
- (a) take any form, and
 - (b) 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.
- 19.4. Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 19.5. Unless the directors decide otherwise, directors are 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.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at -
- (a) meetings of directors or committees of directors,
 - (b) general meetings,
 - (c) meetings held in the course of the ordinary business of the Club,
 - (d) 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, or
 - (e) meetings in pursuance of their duties in relation to the Club.

PART 3 SHARES AND DISTRIBUTIONS SHARES

All shares to be fully paid up

- 21.
- 21.1. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- 21.2. This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

- 22.
- 22.1. Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

- 22.2. 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.
- 22.3. The share capital of the company shall comprise Ordinary Shares and Preference Shares.
- 22.4. The Preference Shares shall entitle the holders thereof to the following special rights, privileges and conditions:
- (a) The right to a fixed non-cumulative preferential dividend at the rate of 5% per annum upon the capital for the time being paid up thereon, payable as regards each financial year exclusively out of the profits available for distribution in respect of that year.
 - (b) In the event of the company being wound up, the Preference Shares shall not be entitled to any priority in regard to repayment of capital but shall rank *pari passu* with the Ordinary Shares as to repayment of capital.
 - (c) The holders of Preference Shares shall have the same right as the holders of Ordinary Shares to receive notice of, be present at, and vote at, any general meeting of the members of the company.

Company not bound by less than absolute interests

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

- 24.
- 24.1. The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 24.2. Every certificate must specify -
- (a) in respect of how many shares, of what class it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
- 24.3. No certificate may be issued in respect of shares of more than one class.
- 24.4. If more than one person holds a share, only one certificate may be issued in respect of it.
- 24.5. Certificates must—
- (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

25.

- 25.1. If a certificate issued in respect of a shareholder's shares is—
 - (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed,that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 25.2. A shareholder exercising the right to be issued with such a replacement certificate -
 - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

26.

- 26.1. 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.
- 26.2. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 26.3. The company may retain any instrument of transfer which is registered.
- 26.4. The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 26.5. The directors may in their absolute discretion refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

27.

- 27.1. If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 27.2. (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require -
 - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles and pending any transfer of the shares to another person, has the same rights as the holder had.

- 27.3. But transmittes 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 holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittes' rights

28.

- 28.1. Transmittes who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 28.2. If the transmittes wishes to have a share transferred to another person, the transmittes must execute an instrument of transfer in respect of it.
- 28.3. 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 transmittes has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittes bound by prior notices

29. If a notice is given to a shareholder in respect of shares and a transmittes is entitled to those shares, the transmittes is bound by the notice if it was given to the shareholder before the transmittes's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30.

- 30.1. The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 30.2. 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.
- 30.3. No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 30.4. Unless the shareholders' 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 shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 30.5. 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.

- 30.6. The directors may pay at intervals any dividend payable at a fixed rate only if it appears to them that the profits available for distribution justify the payment.
- 30.7. 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.

Payment of dividends and other distributions

- 31.
- 31.1. 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 -
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (b) 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;
 - (c) 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
 - (d) 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.
- 31.2. In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable -
- (a) the holder of the share; or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest on distributions

32. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by -
- (a) the terms on which the share was issued, or
 - (b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

- 33.
- 33.1. All dividends or other sums which are -
- (a) payable in respect of shares, and
 - (b) 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.

- 33.2. The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 33.3. If -
- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) 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.

Non-cash distributions

- 34.
- 34.1. Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation 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).
- 34.2. 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 -
- (a) fixing the value of any assets;
 - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - (c) vesting any assets in trustees.

Waiver of distributions

35. 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, but if—
- (a) the share has more than one holder, or
 - (b) 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

Authority to capitalise and appropriation of capitalised sums

- 36.
- 36.1. Subject to the articles, the directors may, if they are so authorised by an ordinary resolution -
- (a) 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

(b) 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.

- 36.2. Capitalised sums must be applied -
(a) on behalf of the persons entitled, and
(b) in the same proportions as a dividend would have been distributed to them.
- 36.3. 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.
- 36.4. 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.
- 36.5. Subject to the articles the directors may -
(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
(b) 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
(c) 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 4 DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

Calling a general meeting

- 37.
- 37.1. In order for a general meeting to be validly convened, notice of the meeting must be issued to all shareholders entitled to receive notice.
- 37.2. The board shall determine whether a general meeting is to be held as an electronic general meeting as well as, or instead of, a physical general meeting. The board may call general meetings whenever and at such times and places (including electronic platforms) as it shall determine.

Contents of notice

- 37.2.1. The notice shall specify whether the meeting shall be an electronic general meeting in addition to, or instead of, the physical general meeting. The notice of general meeting (including any notice given by means of a website) shall:
a) specify the place, date and time of the physical meeting, details of any electronic platform for the meeting and

- b) whether the meeting will be an annual general meeting and the general nature of the business to be transacted. If the notice is made available by means of a website, it must be available until the conclusion of the meeting. Any electronic platform may vary from time to time and from meeting to meeting as the board, in its sole discretion, sees fit.
- c) the full text of any special resolutions to be voted on at the meeting and
- d) an explanatory note on the member's right to appoint a proxy to vote on their behalf.

37.3. Electronic general meetings

37.3.1. Without prejudice to article 37 the board may resolve to hold a general meeting as an electronic general meeting in addition to, or instead of, a physical general meeting and allow members entitled to attend a general meeting by electronic means. Those members attending by electronic means and present at the electronic general meeting shall be counted in the quorum for, and entitled to vote at, the general meeting in question in addition to those members present at the general meeting and attending the physical meeting location. The meeting shall be duly constituted and its proceedings valid if the chair of the general meeting is satisfied that adequate facilities are available throughout the electronic general meeting to ensure that members attending the electronic general meeting who are not present together at the same place may, by electronic means, attend and speak and vote at it. Nothing in these articles prevents a general meeting being held both physically and electronically.

37.4. Meaning of participate

37.4.1. For the purposes of articles 37- 40 and 42- 47 the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a poll, be represented by a proxy and have access (including electronic access) to all documents which are required by the Companies Acts or these articles to be made available the meeting.

37.5. Security at electronic general meetings

37.5.1. The board and, at any electronic general meeting, the chair may make any arrangement and impose any requirement or restriction as is:

- (a) necessary to ensure the identification of those taking part and the security of the electronic communication; and
- (b) proportionate to those objectives.
- (c) In this respect the company is able to authorise any voting application, system or facility for electronic general meetings as it sees fit.

37.6. Notice of the general meeting must be given to all shareholders entitled to receive notice at least 14 clear days before the date of the general meeting (that is, excluding the day of the meeting and the day on which the notice is served).

37.7. Any notice sent to a shareholder:

- (a) by first class post, shall be deemed served on the shareholder on the day after the letter was put in the post,
- (b) by second class post, shall be deemed served on the shareholder on the second day after the letter was put in the post, and
- (c) by email, shall be deemed served on the shareholder on the day on which the email was sent.

Attendance and speaking at general meetings

38.

- 38.1. 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.
- 38.2. A person is able to exercise the right to vote at a general meeting when -
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) 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.
- 38.3. 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.
- 38.4. 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.
- 38.5. 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.

Quorum for general meetings

- 39. 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. The quorum for a general meeting shall be two shareholders, or two other individuals who are qualifying persons as defined by section 318(3) of the Companies Act 2006.

Chairing general meetings

40.

- 40.1. If the directors have appointed a chair of the Board, the chair of the Board shall chair general meetings if present and willing to do so.
- 40.2. (2) If the directors have not appointed a chair of the Board, or if the chair of the Board is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start -

- (a) the directors present, or
 - (b) (if no directors are present), the meeting,
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

40.3. The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

41.

- 41.1. Directors may attend and speak at general meetings, whether or not they are shareholders.
- 41.2. The chairman of the meeting may permit other persons who are not -
 - (a) shareholders of the company, or
 - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

Adjournment

42.

- 42.1. 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.
- 42.2. The chairman of the meeting may adjourn a general meeting at which a quorum is present if -
 - (a) the meeting consents to an adjournment, or
 - (b) 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.
- 42.3. The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 42.4. When adjourning a general meeting, the chairman of the meeting must -
 - (a) 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
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 42.5. 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) -
 - (a) to the same persons to whom notice of the company’s general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.

- 42.6. The only business which may be transacted at an adjourned general meeting is business which could have been transacted as part of the agenda at the original meeting, had the adjournment not taken place. For the avoidance of doubt, this includes business which could have been transacted as “any other business” at the original meeting.

VOTING AT GENERAL MEETINGS

Voting: general

43. A resolution put to the vote of a general meeting must be decided by a simple majority on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

- 44.
- 44.1. 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.
- 44.2. Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

- 45.
- 45.1. A poll on a resolution may be demanded -
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) 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.
- 45.2. A poll may be demanded by _
- (a) the chairman of the meeting;
 - (b) any director;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- 45.3. A demand for a poll may be withdrawn if -
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- 45.4. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 46.
- 46.1. Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which -

- (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) 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.
- 46.2. The company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.
- 46.3. 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.
- 46.4. Unless a proxy notice indicates otherwise, it must be treated as -
- (a) 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
 - (b) 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.

Delivery of proxy notices

- 47.
- 47.1. 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.
- 47.2. 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.
- 47.3. 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.
- 47.4. 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.

Amendments to resolutions

- 48.
- 48.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if -
- (a) 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

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

- 48.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if -
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 48.3. 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.

PART 5 ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

49.

- 49.1. 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.
- 49.2. 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.
- 49.3. 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.

Company seals

50.

- 50.1. Any common seal may only be used by the authority of the directors.
- 50.2. The directors may decide by what means and in what form any common seal is to be used.
- 50.3. 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.
- 50.4. For the purposes of this article, an authorised person is -
- (a) any director of the company;
 - (b) the company secretary (if any); or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

51. 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 shareholder.

Provision for employees on cessation of business

52. 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

Indemnity

53.

53.1. Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

(c) any other liability incurred by that director as an officer of the company or an associated company.

53.2. 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.

53.3. 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 director" means any director or former director of the company or an associated company.

Insurance

54.

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

54.2. In this article -

- (a) a “relevant director” means any director or former director of the company or an associated company,
- (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’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.

Winding Up

55.

- 55.1. On the winding up of the company , the surplus assets shall be applied first in repaying the shareholders the amount paid up on their shares respectively and if such assets are insufficient to pay the said amount in full , they shall be applied rateably so that the loss shall fall upon the shareholders in proportion to the amount called up on their shares respectively , and no shareholder shall be entitled to have any call made upon other shareholders for the purpose of adjusting their rights ; but where any call has been made and has been paid by some shareholders such call shall be enforced against the remaining shareholders for the purpose of adjusting the rights of the shareholders between themselves
- 55.2. if the surplus assets shall be more than sufficient to pay the shareholders the whole amount paid upon their shares, the balance shall be given to the Trust not in its capacity as a shareholder (and such right shall not be a class right) but in its capacity as a trust holding assets for the benefit of the Trust under its Rules , except that if the Trust no longer exists or its beneficiaries are no longer the balance of surplus assets shall be given to the Footballer Association Benevolent Association or to some other Club or Institute in the city or county having objects similar to those contained in the Memorandum of Association.

Schedule 1 Governance Manual



Exeter City AFC Ltd
Corporate Governance Manual

This Document is the means by which the Board of Directors manages the governance of the Club in conjunction with the Trust's wishes.

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Definitions

“**ATB**” means the Academy Technical Board.

“**Board**” means the Board of the Club.

“**CCT**” means Exeter City Community Trust.

“**Club**” means Exeter City AFC Ltd.

“**Committee**” means anybody to whom the Board delegates responsibility and authority with terms of reference and which reports directly to the Board.

“**CTA**” means the agreement between the Trust and the Club dated 24th September 2020.

“**COO**” means any Chief Operating Officer or Chief Executive appointed by the Board.

“**Director**” means a statutory Board director of the Club

“**Senior Manager**” any person reporting directly to a Board Director.

“**Trust**” means Exeter City AFC Supporters Society Limited.

“**TOR**” means Terms of Reference

1. Principles of Corporate Governance

- 1.1. The Board is collectively responsible for the success of the Club.
- 1.2. No one individual is to have unfettered powers of decision.
- 1.3. The Trust has the right to nominate half of the Board Directors for appointment by the Board.
- 1.4. Any Director can nominate potential appointees for a non-Trust nominated Director role, The Board Directors are entitled to information which they think appropriate in a form and of a quality and in a timely manner as is appropriate to enable them to discharge their duties.
- 1.5. The Audit and Performance Committee of the Club will undertake a formal and rigorous annual evaluation of the Board’s performance and that of its Committees and individual Directors.
- 1.6. No Director will be involved in deciding his or her own remuneration (for Remuneration of Directors see 2.4.10)
- 1.7. The Board will maintain sound systems of internal control to safeguard shareholders’ interests
- 1.8. The Board recognises its unique position as a Trust owned and community-based Club and as such encourages transparency in its activities.

2. Club Board

2.1. Role of the Board

The Board's role is to ensure that the Club achieves its strategic aims as set out in its Strategic Plan.

More specifically, the Board is responsible for

- Overseeing the operations and performance of the business;
- Evaluating and approving the Club's Strategic and Business Plan (to be reviewed at least every 3 and 1 years respectively);
- Selecting and evaluating Senior Managers, including any COO and the football manager;
- Ensuring that management maintain an effective system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. In carrying out this responsibility, the Board will assess major risk factors and review the policies and controls in place to manage and mitigate risks.
- The Board will be chaired by an independent Chair.
- The roles of the Chair of the Board and any Senior Executive (or equivalent role) should not be exercised by the same individual.
- Ensuring compliance with the CTA (see Appendix A)

2.2. Role of the Club's Management

The Club's Senior Management is responsible for determining (in conjunction with the Board) and delivering the Club's long term objectives and strategy and its annual business performance, including the achievement of its budgets and for agreement to any material deviation from the Club's business plan

2.3. Chairing Club Board Meetings

2.3.1. The meetings will be chaired by a non-voting Executive Director ("Chair of the Board") whose responsibilities shall include:

- Chairing and ensuring that the Board meetings are effectively prepared for, objectively and fairly run and minuted, and are at all times held with regard to the Club's values and to deliver the Club's strategic and near term aims and plans
- Ensuring that Board reports are delivered according to a structured calendar and to the expected standard, (this also to include reports delivered by CCT and ATB)

- Providing appropriate leadership to the Board and ensuring its effectiveness in all aspects of its role
- Facilitating Board discussions to ensure the core issues facing the Club are addressed and that the Directors receive accurate, timely and clear information in order to make the best possible decisions in the interests of the Club and its stakeholders
- Ensuring that there are constructive relations between all Board Directors and Associate Directors.

2.4. Board Structure

2.4.1. Board Composition and Size

- The Board consists of the Chair of the Board (non-voting), Finance Director (FD), two skill-based Directors and one skill based non-voting Director, and four Trust nominated Directors.
- The Board may appoint up to 2 non-voting Associate Directors and a non-voting in-house Legal Counsel.
- The Directors shall determine the size of the Board and the selection of the individuals, with reference to the CTA and the Club's Articles of Association (Appendix B), (which provide that the Trust shall be entitled to nominate half of the Board Directors).
- The Board should be of sufficient size that the balance of skills and experience is appropriate for the requirements of the business such that it is able to function effectively, and that changes to the Board's composition can be managed without undue disruption.
- Any COO or CEO, as appropriate, will attend Board meetings as required when their area of responsibility is being discussed but will not be a member of the Board. Their reports will be submitted to the Board in advance of meetings and a requirement for their attendance will be notified to them in advance.

2.4.2. Succession Planning

The Board must satisfy itself that plans are in place for orderly succession for appointments to the Board and for Senior Managers, including the Football Manager, so as to maintain an appropriate and ongoing level and of skills and experience within the Club.

2.4.3. Terms of Appointment

- Any appointment as a Director will be for a maximum period of 3 years which may be subject to re-election or reappointment (as appropriate)
- A Director should provide a written statement to the Chair of the Board, if they have any concerns about the running of the Club.

2.4.4. Criteria for Directors

The Board should take into account the following behaviours when considering the appointment of all Directors:

- Provides objective challenge and support as appropriate to management
- Is prepared to challenge others' assumptions, beliefs or viewpoints as necessary for the good of the Club
- Questions intelligently, debates constructively, challenges rigorously and decides dispassionately
- Is willing to stand up to defend their beliefs and viewpoints in order to support the ultimate good of the Club
- Has / or will soon have a sufficiently strong understanding of the Club's marketplace, business and affairs to enable them to properly evaluate information and responses provided by management
- Has the necessary skill set for Director responsibility.

2.4.5. Board Committees and their Terms of Reference

Under the Club's Articles of Association, the Board may, where appropriate, delegate any of its powers from time to time as it sees fit to a Committee of the Board consisting of one or more Directors and such external members as are deemed necessary to the effective operation of that Committee. Each Committee must report back on its work and prepare a written report to the Board as required by the Board. The Chairman of each Committee is required to report any matters of substance or concerns to the Board in writing as soon as practical. A copy of all Committee minutes must be provided to all Board Directors. There are four Committees of the Board, namely:

- Governance Committee
- Academy Technical Board
- Risk Committee
- Audit and Performance Committee.

Specific responsibilities have been delegated to each Board Committee and each has its own terms of reference, copies of which are attached (at Appendices C to F). Other Committees may be constituted from time to time, as required.

2.4.6. Terms of Reference for Board Committees and Delegation to Board Committees

2.4.7. Governance Committee (See Appendix C)

A. The purpose of the Governance Committee is to ensure that the Club fulfils its current and future legal, ethical and functional responsibilities in the most effective way in order to achieve its Strategic and other aims through an adequate framework of governance and policy development. The Committee also performs an audit function in relation to certain of the Club's activities and is the delegated body for the development or resolution of any governance arrangements between the Club and the Trust.

B. The Committee should carry out the duties below:

- i. Create, maintain, evolve and recommend to the Club Board governance policies and procedures.
- ii. Create, maintain, evolve and recommend to the Club Board the drafting of the Club's Articles of Association, and the CTA.
- iii. Create, maintain and recommend to the Club Board Matters Reserved to, and Terms of Reference for, the Club Board and its sub-committees including sub-committees of the Club Board as are required in order to assure the effective governance of the Club.
- iv. Review 1, 2 and 3 above at least annually.

2.4.8. Academy Technical Board (see Appendix D)

The Academy Technical Board shall be comprised of: A Club Board Director; Academy Technical Director; first team manager or assistant manager; Academy Operations & Performance manager; under 23's manager; Academy Head of Coaching; Finance Director of the Club or their appointee.

The ATB shall:

- provide technical advice and support in the development of the Club and Academy Playing Philosophy, Coaching Philosophy and Coach Competency Framework and in the development, implementation and monitoring of the Academy Performance Plan
- be responsible for the implementation of the 'Next Generation' Management Plan and/or any other obligatory or recommended actions emanating from the Football League or the FA.

- ensure that the Grecian Plan (the next generation detailed underpinning Annex) is updated in accordance with the way the Academy should work according to best practice, Club and Academy policy, and EPPP regulations
- provide guidance for Heads of Departments and group leaders flowing from the Grecian Plan where necessary (as to their activities and tasks);
- evaluate the Academy's performance as against agreed KPI's to ensure that best efforts are made to produce the best possible players for the first team.
- ensure all relevant EFL, FA, EPPP regulations, standards, guidelines and appropriate advice, is implemented.

2.4.9. Risk Committee (see Appendix E)

- a. The Risk Committee will consist of an independent Chair, one Trust Board appointed representative, and one Club Board appointed representative. Any COO will attend unless not required and will be a non-voting member
- b. The Committee will scope the areas of risks it will consider and will be able to assess risks identified by any party (within its terms of reference) including operational, health and safety, reputation, safeguarding, financial, regulatory, data protection and environmental.

A secretary will be appointed by a majority of the Risk Committee and will organise and attend Risk Committee meetings

2.4.10. Audit and Performance Committee (See Appendix F)

The Audit and Performance Committee will consist of the Chair of the Trust Board as its chairperson, one other Trust member (a non-Trustee may be co-opted), and an external independent member. It will:

- a) Scrutinise the Board's progress against the Strategic and Business Plan
- b) Recommend to the Board remuneration and employment terms of Directors and Senior Managers.
- c) Agree and monitor the Club's framework and plans for control and risk management and ensure they are robust and defensible.
- d) Objectively evaluate, at least annually, each Board member's performance.

2.5. Other Officers

2.5.1. Role of any Chief Operating Officer (COO) (or equivalent) (See Appendix G)

- a) The non-voting COO is responsible to the Board for the overall management and performance of the areas within their accountability as per Appendix G. The COO manages the organisation in accordance with the strategy, plans, budgets and policies approved by the Board to achieve the agreed objectives and ensures effective risk management and compliance is in place and is followed.
- b) The COO is to obtain the prior approval of the Board on all matters reserved to it including the appointment of and, where necessary, removal of any Senior Manager in non-football related matters.
- c) Report to the delegated Director on the Board; with responsibility for:
- d) Health and safety within SJP
- e) Safeguarding in relation to staff at SJP

3. Matters reserved to the Board

Subject to the CTA, the Board, noting its role to be collectively responsible for promoting the success of the Club by directing and supervising its affairs, recognising the need to define clearly the respective roles of the full Board and of the executive management of the Club, and taking account of current best practice and the requirements of the FA , EFL and Statute generally, the matters listed below are exclusively reserved to the Board (or, where permitted by legislation, regulation or good practice, to one of its Committee expressly so authorised) any matter that relates or pertains to:

- (i) Changes to the Club's or any associated company's Articles of Association, or the Club's Governance Manual;
- (ii) Approval of changes to the capital structure of the Club or associated company or its / their legal status;
- (iii) The total number of shares in issue in the Club, or rights attaching to, such shares;
- (iv) Approval of the new issue of shares in the Club;
- (v) Subject to the appropriate authority from the shareholders, the allotment of un-issued shares in the capital of the Club;
- (vi) Its status as a limited company;
- (vii) The creation of, incorporation of any new subsidiary or associated company, and any appointments to their boards;
- (viii) Extension of the Club's activities into significant new business areas and any decision to cease to operate all or any significant part of the Club's business;
- (ix) Approval of all dividends, dividend policy and decisions on withholding dividends (deciding not to pay a previously approved dividend payment);

- (x) Approval of the recommendations for the appointment or removal of Club Board members and those of any subsidiary companies;
- (xi) The terms, conditions and remuneration of any member of the Board or member of the board of any subsidiary company.
- (xii) Responsibilities / Job Description of any member of the Club Board including any Officers, Associate Directors, Legal Counsel, any Chief Executive, or Chief Operating Officer (or equivalents) and Senior Managers;
- (xiii) Appointment of the Chair of the Board;
- (xiv) Appointment or dismissal of any Company Secretary;
- (xv) Approval of matters reserved for, and terms of reference of, Club Board sub-committees to whom the Club Board delegates decision making authority as well as membership thereof
- (xvi) Contracts at a cost to the Club of £50,000 or over per annum or in total, including Club management staff but excluding players' contracts;
- (xvii) Approval of any application for planning permission which would result in works of a value of in excess of £150k;
- (xviii) Any agreement to spend in excess of £100k plus Vat on Capital Expenditure
- (xix) The acquisition or sale of any asset, including land or buildings or lease of any company or business, whose value is in excess of £25,000.
- (xx) The taking of, granting assignment or sale of, any lease or interest therein with a duration in excess of 5 years or annual value of more than £1,000.
- (xxi) Recommendation relating to the approval of the Club's Annual Accounts;
- (xxii) Approval of any significant changes in accounting policies or practices;
- (xxiii) Formulation of any treasury policies;
- (xxiv) Issue of notice of a General Meeting;
- (xxv) Approval of the Club's, and any subsidiary or associated companies, ticket pricing, budgets (annual or otherwise including reforecasts, operating or capital expenditure), annual cashflow forecasts, Strategic Plan, Business Plan or investment plan;
- (xxvi) Any borrowings, secured or not, save in the ordinary course of business;
- (xxvii) Resolutions and corresponding documentation to be put forward to shareholders at a General Meeting;
- (xxviii) Approval of any public announcements, and any other public statements made on behalf of the Club, which are likely to be regarded as strategically significant;
- (xxix) Nomination (including re appointment) and removal of auditors to the Club and to its subsidiaries, and approval of their remuneration;

- (xxx) The procedure to be followed by directors who, in the furtherance of their duties, wish to take independent legal advice at the Club's expense;
- (xxxi) Prosecution, defence or settlement of material litigation;
- (xxxii) Ensuring that the appropriate Directors' and Officers' liability insurance is in place;
- (xxxiii) Creation of, and amendments to, any Club employee bonus scheme;
- (xxxiv) Changing the accounting reference date or registered office of the Club;
- (xxxv) The Club's overall corporate governance arrangements, including internal control arrangements;
- (xxxvi) Annual review of the effectiveness of ECFC's system of internal controls and risk management processes;
- (xxxvii) The Club's management and control structure and any changes to it;
- (xxxviii) Any change in stadium location or name of the Club;
- (xxxix) Any change in the badges, logos or other devices used in the signage, publications, advertising, promotional material, affiliated teams or other branding of the Club;
- (xl) All changes to the colours and styles of the Club's home playing strip;
- (xli) Any change in the name or nickname of the Club or team or its status with the Football Association or the English Football League;
- (xlii) The passing of a resolution for the winding up of the Club;
- (xliii) The appointment of a receiver, administrator or administrative receiver over the whole or any part of the assets of the Club, or the making of any arrangement with the creditors of the Club for the affairs, business and property of the Club to be managed by a supervisor or CVA;
- (xliv) Taking any other steps reserved to the Board under the terms of the Club's Articles of Association or the Companies Acts.

Schedule 2 CTA Document

THIS AGREEMENT is dated 24th September 2020

PARTIES

1) EXETER CITY A.F.C. LIMITED ("The Club") of St James Park Stadium way Exeter EX4 6PX

2) EXETER CITY AFC SUPPORTERS SOCIETY LIMITED ("The Trust") of St James Park Stadium Way Exeter EX4 6PX

The parties have agreed to enter into this agreement for the purpose of regulating the involvement of the Trust in the governance of the Club.

DEFINITIONS

"The Club" means the private company limited by shares incorporated and registered in England and Wales with company number 00097808.

"The Trust" means the Registered Society incorporated under the Cooperative and Community Benefit Society Act 2014 with registered number 29339R.

"Director" means a Director of the Club according to law and its Articles of Association.

"Club Board" means the Board of the Club, not including any Associate Directors from time to time in office.

"Trust Board" means the Board of the Trust, including any co-opted members from time to time in office.

AGREED TERMS

1. INTERPRETATIONS

Clause headings do not affect the interpretation of this agreement.

A reference to a person includes a natural person or a corporate or unincorporated body (whether or not having a separate legal personality).

A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment, and includes any subordinate legislation for the time being in force made under it.

A reference to writing or written includes e-mail.

Words in the singular include the plural and in the plural include the singular, where appropriate.

Any words indicating any specific gender shall not be regarded as exclusive to that gender.

2. MATTERS WHICH REQUIRE THE PRIOR WRITTEN CONSENT OF THE TRUST

The Club shall not take any action nor pass any resolution without the prior written consent of the Trust Board in any matter that pertains or relates to:

- (i) a) the total number of shares or rights attaching to such shares;
b) approval of new issue of shares;
c) subject to the appropriate authority from the shareholders, the allotment of un-issued shares in the capital of the Club;
- (ii) a) any change in stadium location or name;
b) any change in the badges, logos or other devices used in the signage, publications, advertising, promotional material, affiliated teams or other branding of the Club;
c) the colours and styles of the Club's home playing strip;
- (iii) any change in the name or nickname of the Club or team or its status with the Football Association or English Football League;
- (iv) purchase or disposal of any land or buildings or interest therein owned by the Club with a market value in excess of £25,000;
- (v) the taking of, granting, assignment or sale of any lease or interest therein with a duration in excess of 5 years;
- (vi) a) any borrowing against the security of any asset owned by the Club or any lease held by the Club in excess of £50,000 in any 12-month period;
b) any unsecured borrowings;
- (vii) contracts at a cost to the Club of €50,000 or over per annum or in total, including management staff but excluding players' contracts;
- (viii) approval of all dividends, dividend policy and decisions on withholding dividends (deciding not to pay a previously approved dividend payment);
- (ix) approval of the recommendations for the appointment or removal of Club Board members (Directors);
- (x) responsibilities / Job Description of the Chairman, Chief Executive (or equivalent) and other Directors;
- (xi) approval of terms of reference of Club Board committees;
- (xii) changes to the Club's or any associated company's Memorandum and Articles of Association;
- (xiii) approval of the Club's and any subsidiary or associated company's Ticket pricing, Budgets, Strategic Plans and Business Plans;
- (xiv) approval of changes to the capital structure of the Club or associated company or its / their legal status;
- (xv) the incorporation of any new subsidiary or associated company;
- (xvi) extension of the Club's activities into significant new business areas and any decision to cease to operate all or any significant part of the Club's business;
- (xvii) the passing of a resolution for the winding up of the Club;

- (xviii) the appointment of a receiver, administrator or administrative receiver over the whole or any part of the assets of the Club or the making of any arrangement with the creditors of the Club for the affairs, business and property of the Club to be managed by a supervisor;
- (xix) approval of borrowings save for those agreed in the ordinary course of trade.

3. DIRECTORS AND MANAGEMENT

Appointment and Reappointment of Directors

- 3.1 The appointment or reappointment of any person who is willing to act as a Director (and is permitted by law, and by any specific regulatory body applicable, to do so) shall first be recommended by the Club Board.
- 3.2 Three months before the date set for the Club's AGM the Trust Board shall receive notification of those Directors to be presented for appointment or reappointment at that meeting. Those Directors shall at least six weeks prior to the date of the meeting provide to the Trust Board a resume of their activities and achievements during their term of office or, if the Director is being presented for appointment, their CV. This submission shall be confirmed as true and fair by the Club Board Chairman in office at that date.
- 3.3 The named Directors shall, if required to do so, attend in person a Trust Board meeting in advance of the Annual General Meeting.

Trust nominated Directors

- 3.4 The Trust shall be entitled to appoint at least half of the Directors to the Club Board, and can remove and reappoint any Director so appointed at any time.

A Director shall be appointed for a maximum period of three years. They shall be entitled to immediately be reappointed should the Trust Board so resolve.

- 3.5 The appointment or reappointment of the Trust nominated Directors will be confirmed annually at the first meeting of the Trust Board following the Trust AGM. To facilitate continuity of membership on the Club Board the Trust nominated Directors will not ordinarily be changed from year to year within their three-year term unless the nominated Director's term of office on the Trust Board comes to an end or, having been eligible to do so, he fails to be re-elected to the Trust Board at the Trust AGM.

Associate Directors

- 3.6. The Club Board may appoint two non-voting Associate Directors who shall be appointed for a fixed term (subject to review if appropriate) of no more than one year. For clarity the number of Associate Directors shall not exceed two at any one time and they shall not count towards the calculation of whether or not the Board is quorate.

Attendees

- 3.7. The Club Board may invite whoever it shall deem fit to enable it best to proceed to attend the part/s of any Board Meeting appropriate to the skills/knowledge of that individual.

Quorum for Board Meetings

- 3.8. The quorum for Board meetings shall be four at least half of whom must be Directors nominated by the Trust

4. CORPORATE GOVERNANCE MANUAL

- 4.1. The Club shall prepare, maintain and adhere to a Corporate Governance Manual ("the Governance Manual") the contents of which shall be approved in advance by the Trust.
- 4.2. The operation of the Governance Manual and the Club's performance against it shall be reviewed annually by the Trust Board.
- 4.3. The Club shall not amend or set aside any part of the Governance Manual without prior approval of the Trust.

5. COMMUNICATION BETWEEN THE CLUB AND TRUST

- 5.1. It is the responsibility of both the Club Board and the Trust Board to ensure that there is effective communication at all times between them.
- 5.2. The two Boards shall meet at least twice a year to review the operation of communication between the two parties.

6. TERMINATION

- 6.1. This agreement terminates immediately upon the occurrence of any of the following events:
- a) The agreement of both parties; or
 - b) the passing of a resolution for the winding up of the Club; or
 - c) the appointment of a receiver, administrator or administrative receiver over the whole or any part of the assets of the Club or the making of any arrangement with the creditors of the Club for the affairs, business and property of the Club to be managed by a supervisor.
- 6.2. Termination of this agreement shall be without prejudice to the rights or obligations of either party accrued prior to such termination, or under any provision which is expressly stated not to be affected by such termination including in respect of any prior breach of this agreement.

6.3. Following the passing of a resolution for the winding-up of the Club, the Trust shall endeavour to agree a suitable basis for dealing with the interests and assets of the Club and shall endeavour to ensure that:

- a) all existing contracts of the Club are performed so far as resources permit;
- b) no new contractual obligations are entered into by the Club; and
- c) the Club is wound up as soon as practicable.

7. STATUS OF THIS AGREEMENT AND THE PARTIES' OBLIGATIONS

The Trust shall exercise all voting rights and other powers of control lawfully available to it as a shareholder of the Club so as to procure that, at all times during the term of this agreement, the provisions of this agreement are duly and promptly observed and given full force and effect according to its spirit and intention.

If any provisions of the Articles of Association of the Club at any time conflict with any provisions of this agreement, this agreement shall prevail as between the parties to it and the Trust shall, whenever necessary, exercise all voting and other rights and powers lawfully available to it as a shareholder of the Club so as to procure the amendment, waiver or suspension of the relevant provision of the Articles of Association to the extent necessary to permit the Club and its affairs to be administered so long as any such departure is permitted by law.

8. CONFIDENTIALITY

Each party to this agreement undertakes that he shall not at any time after the date of this agreement (or, if later, the date he became a party to it) use, divulge or communicate to any person (except to his professional representatives or advisers or as may be required by law or any legal or regulatory authority) any confidential information concerning the terms of this agreement, the business or affairs of either the Club or the Trust which may have (or may in future) come to his knowledge, and each of the parties shall use reasonable endeavours to prevent the publication or disclosure of any confidential information concerning such matters.

9. NOTICES

Any notice given under this agreement shall be in writing and shall be delivered by hand, transmitted by fax, or sent by pre-paid first class post or recorded delivery post to the address of the party as set out in this Agreement, or to such other address notified to the other parties. A notice delivered by hand is deemed to have been received when delivered (or if delivery is not in business hours, 9.00 am on the first Business Day following delivery). A correctly addressed notice sent by pre-paid first-class post or recorded delivery post shall be deemed to have been received at the time at which it would have been delivered in the normal course of post.

10. SEVERANCE

If any provision (or part of a provision) of this agreement is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

11. VARIATION AND WAIVER

Any variation of this agreement shall be in writing and signed by or on behalf of all the parties for the time being.

No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

Unless specifically provided otherwise, rights and remedies arising under this agreement are cumulative and do not exclude rights and remedies provided by law.

12. ASSIGNMENT

No person may assign, or grant any encumbrance over, or deal in any way with, any of his rights under this agreement or any document referred to in it, or purport to do any of the same, without, in each case, the prior written consent of all the parties for the time being.

Each entity that has rights under this agreement is acting on his own behalf.

13. ENTIRE AGREEMENT

This agreement constitutes the whole agreement between the parties and supersedes any previous arrangement, understanding or agreement between them relating to the subject matter they cover.

Each party acknowledges that, in entering into this agreement, he does not rely on, and shall have no remedy in respect of, any statement, representation, assurance or warranty of any person other than as expressly set out in this agreement or those documents.

14. THIRD PARTY RIGHTS

A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.

15. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of that agreement, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

16. GOVERNING LAW AND JURISDICTION

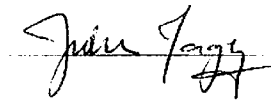
This agreement and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the laws of England.

The parties irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including noncontractual disputes or claims).

17. EFFECT

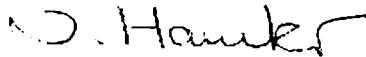
This agreement has been entered into on the date stated at the beginning of it and takes effect immediately.

Signed by



FOR AND ON BEHALF OF EXETER CITY A.F.C. LIMITED

And by



FOR AND ON BEHALF OF EXETER CITY AFC SUPPORTERS SOCIETY LIMITED

Schedule 3 Objects of the Company

The objects for which the Company is established are -

- a) To carry on the business of a Football and Athletic Club in all the branches thereof, to promote the practice and play of, and stimulate proficiency in, football, cricket, lacrosse, lawn tennis, hockey, polo, golf, bowls, quoits, bicycle and tricycle riding, motor-car racing, running, jumping, and other athletic sports, games, pastimes and exercises and any other sports, games, pastimes, exercises, amusements or entertainments, tending generally to encourage and promote the training and development of the human frame.
- b) To manufacture, buy, hire, sell, exchange, or otherwise dispose of, and deal in all articles, implements, fixtures, furniture, appliances, conveniences, contrivances, apparatus and things for the time being used in or necessary or convenient for the playing or practice of or carrying on the aforesaid or any other sports, games, exercises, pastimes, amusements and entertainments.
- c) To provide, give, or contribute to prizes, awards and distinctions to be given in competitions promoted, assisted or sanctioned by the Company, and to establish, engage and maintain teams of football, cricket, and other players, whether composed of amateur or professional players, or partly of one and partly of the other, and to engage other professional players and competitors.
- d) To carry on the business of proprietors of clubs, reading-rooms, billiard and other recreation rooms, caterers, refreshment contractors, and proprietors of refreshment rooms, and to afford accommodation for meetings and gatherings of all descriptions, whether social, commercial, or otherwise, and to let upon lease or otherwise the whole or any part of the property of the Company for any of the above mentioned purposes or otherwise.
- e) To purchase, take on lease or in exchange, or upon hire, or otherwise acquire, any . lands, buildings, easements, privileges or rights over land for the purposes of the provision of grounds, fields, courts, yards, offices, clubrooms, pavilions, stands, or other places adapted for any of the objects of the Company, or any other real or personal estate which the Company . may think necessary or convenient for any of the objects of the Company.
- f) To construct, convert into, adapt, fit up, furnish and maintain clubrooms, offices, pavilions, refreshment rooms, lavatories, booths, stands and other buildings and conveniences upon any ground or grounds of the Company to adapt, lay out, enclose, level, drain, form approaches and make and maintain roads to, over and from any lands, grounds or buildings of the Company, to fix and enforce a scale of charges for admission thereto, and to such ground or grounds, and generally manage the same as may be required for the benefit of the Company.
- g) To arrange, hold, promote, or establish football matches, cricket matches, athletic sports, military tournaments, automobile, cycle, agricultural, horse and flower shows, bicycle, tricycle and motor-car and other races, and other matches, sports, shows, competitions or tournaments.

- h) To join in and promote competitions for challenge cups or trophies, or other similar competitions for the purposes of the Company, or for the benefit of charities or other like objects.
- i) To originate, improve, or alter the rules regulating any or all of the sports, games and pastimes above enumerated, and to join and subscribe to any union or association having the like objects.
- j) To employ and pay football players, cricketers and athletes, and also servants and workmen for attending to the ground or grounds for the time being of the Company, taking gate and other money at matches, competitions, sports, and entertainments and otherwise engaged upon the Company's business.