

Company Number: 1947851

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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MIDDLESBROUGH FOOTBALL & ATHLETIC COMPANY (1986) LIMITED

PRELIMINARY

1. (a) The Company is a private Company and the regulations contained in Table A in the Schedule to the Companies (Table A-F) Regulations 1985 as amended prior to the date of adoption of these Articles (in these Articles called "Table A") shall constitute the regulations of the Company save in so far as they are varied or excluded by or are inconsistent with these Articles

(b) In these Articles the expression "the Act" means the Companies Act 1985 but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force

2. Regulations 24, 64, 73 to 76 (inclusive), 79, 80 and 94 to 97 (inclusive) of Table A shall not apply to the Company



## SHARES

3.(a) Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may (subject to Section 80 of the Act and to paragraph (b) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit

(b) After the initial allotment of shares on the date of adoption of these Articles by the Directors any further shares proposed to be issued shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period accepted all the shares offered to them, such further offer shall be made in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons on such terms,

and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the Members. In accordance with Section 91 (1) of the Act Sections 89(1) and Sections 90(1) to (6) inclusive of the Act shall be excluded from applying to the Company.

4. The Company in general meeting may give the Directors any authority required under Section 80 of the Act in respect of relevant securities as defined in that section and any such authority may be general or for a particular exercise of the powers requiring such authority and may be unconditional or subject to conditions provided that any such authority shall state the maximum number of relevant securities to which it applies and the date being not more than five years from the date of the passing of the resolution granting the authority on which the authority will expire.

#### LIEN

5. The lien conferred by Regulation 8 in Table A shall attach also to partly paid up shares, and the Company shall also have a first and paramount lien on all shares partly paid, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all moneys presently payable by him or his estate to the Company. Regulation 8 of Table A shall be modified accordingly.

#### BORROWING POWERS

6. The Directors may raise or borrow for the purposes of the Company's business such sum or sums of money without limit as they think fit and subject (in the case of any security convertible into shares) to Section 80 of the Act to secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge or standard security upon the whole or any part of the property and assets of the Company present and future, including its uncalled capital, or by the issue at such price as they may think fit, of Bond Debentures, or Debenture Stock or other securities either charged upon the whole or any part of the property and assets of the Company or not so charged, or in such other way as the Directors may think expedient

7. A Register of the Holders of the Debentures of the Company shall be kept at the Registered Office of the Company and shall be open to the inspection of Registered Holders of such Debentures and of any Members of the Company, subject to such restrictions as the Company in general meeting may from time to time impose. The Directors may use such Register for such period or periods as they may think fit, not exceeding in the aggregate thirty days in each year

#### TRANSFER OF SHARES

8.(a) The Directors may at their discretion provided they are acting reasonably and in the best interests of the Company decline to register any transfer of any share whether or not it is a fully paid share other than a transfer made pursuant to Article 8(b) or Article 9(a) to (e) in which cases the Directors

shall be obliged to register the share transfer

(b) Subject to the provisions of Article 9 any Member may transfer the whole (but not part) of its shareholding in the Company to a Member of the same Group

(c) In this Article 8 the expression "Member of the same Group" means another subsidiary of a Member a holding company of a Member or another subsidiary of any such holding company and the expression "subsidiary" or "holding company" shall have the respective meanings assigned to them in Section 736 of the Act

(d) In the event that any Member transfers the whole or part of its shareholding in the Company to a Member of the same Group and the transferee ceases to be a Member of the same Group then such share or shares shall immediately be transferred back to the Member who has transferred such share or shareholding in the Company forthwith

9. (a) Any person (hereinafter called "the proposing transferor") proposing to transfer any shares shall give notice in writing (hereinafter called "the transfer notice") to the Company that he desires to transfer the same and specifying the price per share which in his opinion constitutes the fair value thereof. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some of) the shares comprised in the transfer notice to any Member or Members willing to purchase the same (hereinafter called "the Purchasing Member") at the price specified therein or at the fair value certified in accordance with paragraph (c) below (whichever shall be the lower). A transfer notice is not revocable except in circumstances where the value assigned to the shares to be

transferred by the proposing transferor if valued pursuant to Article 9(c) is less than the sum specified in the transfer notice as being the price per share which in the opinion of the proposing transferor constitutes the fair value thereof when in such circumstances the transfer notice served may be revoked provided that the proposing transferor pays the reasonable costs incurred by the Company and any other Member in consequence of the service of the transfer notice. A transfer notice may also be revoked with the sanction of the Directors.

(b) The shares comprised in any transfer notice shall be offered to the Members (other than the proposing transferor) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing (hereinafter called "the offer notice") within fourteen days after the receipt by the Company of the transfer notice. The offer notice shall state the price per share specified in the transfer notice and shall limit the time in which the offer may be accepted, not being less than twenty-one days nor more than forty-two days after the date of the offer notice, provided that if a certificate of fair value is requested under paragraph (c) below the offer shall remain open for acceptance for a period of fourteen days after the date on which notice of the fair value certified in accordance with that paragraph shall have been given by the Company to the Members or until the expiry of the period specified in the offer notice whichever is the later. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. The offer notice shall further invite each Member to state in his

reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the Members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares already held by them respectively, provided that no Member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the Members in proportion of their existing holdings, the same shall be offered to the Members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the Directors may think fit.

(c) Any Member may, not later than eight days after the date of the offer notice, serve on the Company a notice in writing requesting that the Auditors for the time being of the Company (or at the discretion of the Auditors, a person nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales) certify in writing the sum which in their opinion represents the fair value of the shares comprised in the transfer notice as at the date of the transfer notice and for the purpose of this Article reference to the Auditors shall include any person so nominated. Upon receipt of such notice the Company shall instruct the Auditors to certify as aforesaid as soon as reasonably practicable and in any event within two months and the costs of such valuation shall be apportioned among the proposing transferor and the Purchasing

Members or borne by any one or more of them as the Auditors in their absolute discretion shall decide In certifying the fair value as aforesaid the Auditors shall be considered to be acting as an expert and not as an arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply Upon receipt of the certificate of the Auditors, the Company shall by notice in writing inform all Members of the fair value of each share and of the price per share (being the lower of the price specified in the transfer notice and the fair value of each share) at which the shares comprised in the transfer notice are offered for sale For the purpose of this Article the fair value of each share comprised in the transfer notice shall be its value as a rateable proportion of the total value of all the issued shares of the Company valuing the Company as a going concern and as between a willing vendor and willing purchaser and shall not be discounted or enhanced by reference to the number of shares referred to in the transfer notice

(d) If Purchasing Members shall be found for all the shares comprised in the transfer notice within the appropriate period specified in paragraph (b) above, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called "the sale notice") to the proposing transferor specifying the Purchasing Members and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer the shares to the Purchasing Members

(e) If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any



shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares in favour of the Purchasing Members. The Company shall pay the purchase money into a separate bank account.

(f) If the Company shall not give a sale notice to the proposing transferor within the time specified in paragraph (d) above, he shall, during the period of sixty days next following the expiry of the time so specified, be at liberty to transfer all or any of the shares comprised in the transfer notice to any person or persons at the same price as is specified in the transfer notice but in that event the Directors may decline to register any such transfer provided that the Directors are acting reasonably and in the best interests of the Company.

(g) In the application of Regulations 29 to 31 (inclusive) in Table A to the Company:-

(i) any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall give a transfer notice before he elects in respect of any share to be registered himself or to execute a transfer;

(ii) If a person so becoming entitled shall not have given a transfer notice in respect of any share within six months of the death or bankruptcy, the Directors may at any time thereafter upon resolution passed by them give notice requiring such person within thirty days of such notice to give a transfer notice in respect of all the shares to which he has so become entitled and for which he has not previously given a

transfer notice and if he does not do so he shall at the end of such thirty days be deemed to have given a transfer notice pursuant to paragraph (a) of this Article relating to those shares in respect of which he has still not done so;

(iii) where a transfer notice is given or deemed to be given under this paragraph (g) and no price per share is specified therein the transfer notice shall be deemed to specify the sum which shall, on the application of the Directors, be certified in writing by the Auditors in accordance with paragraph (c) of this Article as the fair value thereof

#### DIRECTORS

10. Unless and until the Company in general meeting shall otherwise determine the number of Directors shall be not less than two nor more than four

11. A Director including an alternate Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of and at any separate meeting of the holders of any class of shares in the Company

12. The remuneration of the Directors shall from time to time be determined by the Company in general meeting Provided that during such period as the Company has Full or Associate Membership of the Football Association the terms of such appointment are notified to and approved by The Football Association and the League of which the Company's First Team is a Member and that such appointment is in respect of full time employment The Directors shall also be paid such travelling,

hotel and other expenses as may reasonably be incurred by them in the execution of their duties, including any such expenses incurred in connection with their attendance at meetings of Directors

13           The Chairman of the Company shall in the event of an equality of votes at any General Meeting of the Company or at any meeting of the Directors or of a Committee of Directors have a second or casting vote       The Chairman of the Company shall be appointed by the Directors of the Company from time to time acting by majority or in default by the Company in General Meeting       Regulation 91 of Table A shall be modified accordingly

14.           The office of any Director shall be vacated if he is suspended by The Football Association from taking part in football management

15.       A Director (including an alternate Director) may vote at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same, be taken into account in calculating the quorum present at the meeting)

16(a)   At the date of adoption of these Articles the Members of the Company are Imperial Chemical Industries PLC ("ICI") and The Gibson O'Neill Company Limited ("GON") and in this Article 16 the expressions ICI and GON shall include a Member of the same Group of either ICI or GON to whom their respective shares may have

been transferred The shareholdings of the Members are 264,000 Ordinary Shares of £1.00 each and 792,000 Ordinary Shares of £1.00 each respectively While ever either ICI or GON owns the number of Ordinary Shares in the Company referred to in this Article each of ICI and GON shall be entitled at any time and from time to time to appoint such one person as it thinks fit to be a Director of the Company to remove such person from office and (irrespective of how such person may be removed from office) to appoint another person in his place PROVIDED THAT both ICI and GON shall when exercising their rights pursuant to this Article have regard to the best interests of the Company (including without limitation continuity of Directors) and consult with each other

(b) GON may at any time appoint up to 2 additional Directors (subject to the maximum number of Directors of the Company not exceeding the number determined in accordance with Article 10 above)

(c) Subject always to Articles 10, 16(a) and 16(b) above the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director either to fill a vacancy or as an additional Director

(d) The Directors may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with Article 10 above as the maximum number of Directors for the time being in force

(e) Except where a person is appointed as a Director

pursuant to Articles 16(a) or 16 (b) above no person shall be appointed a Director at any General Meeting unless:-

(aa) he is recommended by the Directors; or

(bb) not less than 14 nor more than 35 clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the Meeting has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed be required to be included in the Company's Register of Directors together with notice executed by that person of his willingness to be appointed

(cc) not less than 7 nor more than 28 clear days before the date appointed for holding a General Meeting notice shall be given to all who are entitled to receive notice of the Meeting of any person who is recommended by the Directors for appointment as a Director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the Meeting for appointment as a Director The notice shall give particulars of that person which would if he were so appointed be required to be included in the Company's Register of Directors

(f) Directors and/or alternate Directors may participate in a meeting of the Directors or a committee of Directors of

which he is a member by means of a conference telephone or similar communicating device whereby all persons participating in the meeting can hear each other's resolutions and decisions of the kind normally made or taken at a physical meeting of the Directors or a committee of the Directors in accordance with these Articles and any resolutions or decisions proposed can accordingly be so made or taken in circumstances where none or only some of the Directors or other persons are physically present with each other

#### GENERAL MEETING

17.(a) The quorum for the transaction of business at any General Meeting shall be two Members holding not less than 75% of the shares in the Company entitled to attend and vote at such meeting present in person or by proxy or by corporate representative

(b) A poll may be demanded at any general meeting by the Chairman or by any Member present in person or by proxy or by corporate representative and entitled to vote and Regulation 46 shall be modified accordingly

(c) A proxy shall be entitled to vote on a show of hands and Regulation 54 shall be modified accordingly

18. Anything that may be done by resolution of the Company in general meeting, or by resolution of a meeting of any class of members of the Company, may instead be effected by a unanimous written resolution

19. The provisions of Sections 381(A), 381(B), 381(C), and 382(A) and Schedule 15A of the Act shall apply in relation to

passing of a written resolution

#### INDEMNITY

20. Subject to the provisions of and so far as may be consistent with the Statutes but without prejudice to any indemnity to which a Director may be otherwise entitled every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court

#### NOTICES

21. Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Statutes The third sentence of Regulation 112 shall be deleted