

16 August 2014

THE COMPANIES ACTS 1985 TO 1989

SC132061

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF

SCOTTISH RUGBY UNION plc

(as amended by Special Resolution with effect from 16 August 2014)

THURSDAY



SCT

S3F9HCQP

28/08/2014

COMPANIES HOUSE

#81

INTERPRETATION

1. In these regulations:-

"the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

"the articles" means the articles of the company.

"Board" means the board of directors of the Company, otherwise known as the Scottish Rugby Board.

"clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

"executed" means any mode of execution.

"Nomination Committee" means a committee comprising two of the non-executive directors, the Chairman of the Scottish Rugby Council and one of the directors elected by the Scottish Rugby Council as shall be appointed from time to time by the Scottish Rugby Board to consider nominations for appointment of non executive directors to the Scottish Rugby Board.

"office" means the registered office of the company.

"Remuneration Committee" means a committee comprising two of the non-executive directors, other than the Chairman of the Scottish Rugby board, and two of the directors elected by the Scottish Rugby Council as shall be appointed from time to time by the Scottish Rugby Board to consider the appropriate remuneration of directors and of senior employee of the Company.

"Scottish Rugby Council" means the Scottish Rugby Council of the Union.

"the holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares.

"the seal" means the common seal of the company.

"secretary" means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

"Union" means Scottish Rugby Union.

"the United Kingdom" means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

ALLOTMENT OF SHARES

2. The directors shall not be entitled to allot any shares, or grant any rights to subscribe for, or to convert any security into, shares in the capital of the company, unless otherwise authorised by the company by ordinary resolution.

TRUSTS

3. The company shall be entitled, but shall not be bound to accept and, in the event of acceptance, shall be entitled to record in such manner as it may think fit, notices of any trusts in respect of any shares of the Company with the exception of shares held by Trustees on behalf of the Union. Notwithstanding any such acceptance and/or the making of any such record, the company shall not be bound to see to the execution, administration or observance of any trust whether expressed, implied or constructive, in respect of any shares of the company and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such shares as if they were the absolute owners thereof. For the purpose of this provision "trust" includes any right in respect of any shares of the company other than an absolute right thereto in the holder thereof or such other rights in case of transmission thereof as are hereinafter mentioned.

CERTIFICATES

4.1 Share Certificates

Every person other than a stock exchange nominee in respect of whom the company is not by law required to complete and have ready for delivery a certificate, whose name is entered as a member in the register shall be entitled, without payment, to receive within one month after allotment or lodgement of transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class. If any member shall surrender for cancellation a share certificate representing shares held by him and request the company to issue in lieu thereof two or more share certificates representing such shares in such proportions as he may specify, the Board may, if they think fit, comply with such request. Where a member has sold part of the shares comprised in his holding, he shall be entitled to a certificate for the balance without charge. Subject as hereinafter provided, every certificate shall be issued under the Seal or a seal permitted to be used by Section 40 of the Act ("the Securities Seal"). Certificates issued under the Securities Seal shall not be signed or countersigned and certificates issued under the Seal shall only be signed or countersigned should the Board so determine. The method or system of affixing the Seal and the Securities Seal shall (if the Board so determine) be controlled by, or the certificates shall be approved for sealing by, the Auditors, Bankers or Registrars of the company. The Board may, by resolution decide, either generally or in any particular case or cases, that a facsimile of the Seal may be printed on any share certificate or debenture certificate and/or that any signatures on any share certificate or debenture certificate need not be autographic but may be applied to such certificate by some mechanical means or may be printed on it or that any such certificate need not be signed by any person. The company shall not be bound to register more than four persons as the joint holders of any share and, in the case of a share held jointly by several persons, the company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of such persons shall be sufficient delivery to all. If a share certificate be worn out, defaced, lost or destroyed, it may be replaced on delivery up of the certificate or (if lost, stolen or destroyed) on such terms (if any) as to evidence and indemnity and the payment of out of pocket expenses of the company in investigating evidence in each case as the Board

think fit.

4.2 Certificates for Other Securities

The provisions of Article 4.1 hereof shall apply to debentures and certificates of debenture stocks and any other securities comprised in the capital of the company and that with all the necessary modifications and adaptations and subject always to the Trust Deed or other instrument constituting such securities, if any.

LIEN

5. The company shall have a first and paramount lien on every share (not being fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien on a share shall extend to any amount payable in respect of it.

TRANSFER OF SHARES

6. The instrument of transfer of a share may be in usual form in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
7. The directors may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share whether or not it is a fully paid share.
8. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.
9. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
10. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
11. The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

ALTERATION OF SHARE CAPITAL

12. The company may by ordinary resolution:-
 - (a) increase its share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
 - (d) cancel shares which, at the date of the passing of the resolution, have not been

taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

13. Whenever as a result of a consolidation of shares any member would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some persons to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
14. Subject to the provisions of the Act, the company may by special resolution reduce in share capital, any capital redemption reserve and any share premium account in any way.

GENERAL MEETINGS

15. All general meetings other than annual general meetings shall be called extraordinary general meetings.
16. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.

NOTICE OF GENERAL MEETINGS

17. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
 - (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

18. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

19. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise

provided, a quorum shall be two persons present and holding or representing by proxy in the aggregate at least one-half of the capital of the company whose holders are entitled to be present and vote.

20. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.
21. The chairman, if any, of the Board of directors or in his absence some other director nominated by the chairman shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
22. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
23. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company.
24. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
25. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
 - (a) by the chairman, or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or;
 - (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.
26. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

27. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
28. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
29. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
30. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand has not been made.
31. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
32. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

33. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
34. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
35. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
36. No objection shall be raised to the qualification of any voter except at the meeting or adjourned at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
37. On a poll votes may be given either personally or by proxy.

38. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):-

"Scottish Rugby Union plc I/We, , of
 , being a member/members of the above-named
 company, hereby appoint of , or failing him,
 of , as my/our proxy to vote in my/our
 name[s] and on my/our behalf at the
 annual/extraordinary general meeting of the company to be held on 20
 , and at any adjournment thereof.

Signed on 20 .

39. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)-

"Scottish Rugby Union plc I/We, , of
 , being a member/members of the above-named company, hereby
 appoint of , or failing
 him, of, as my/our proxy to
 vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting
 of the company to be held on 20 , and at any adjournment
 thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1* for * against

Resolution No. 2* for * against.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this day of 20 .

40. The instrument appointing a proxy and any other authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:-

- (a) be deposited at the officer or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to

the chairman or to the secretary or to any director;

and an instrument of proxy, which is not deposited or delivered on a manner so permitted shall be invalid.

41. A vote given or a poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

DIRECTORS

42. Unless otherwise determined by the company in general meeting, the number of directors shall be not less than two.
43. A director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the members of the company.
44. All the directors shall be repaid all travelling, hotel and other expenses properly incurred by them in attending board meetings, or otherwise in connection with the business of the company.
45. Without restricting the generality of the powers conferred on the directors, the directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been employed by or in the service of the company or of any company which is a subsidiary company of or allied or associated with the company or any such subsidiary or any body which holds a majority of the equity share capital of the company and to the wives, widows, children and other relatives and dependants of any such persons and may set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them and so that any such employee shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and (if he is also a director) he may vote as a director in respect of the exercise of any of the powers by this article conferred upon the directors, notwithstanding that he is or may be or become interested therein.
46. A resolution in writing signed by all the directors for the time being in the United Kingdom shall be as effective as a resolution passed at a meeting of the directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the directors.
47. The directors of the company shall comprise four independent non-executive directors, four directors elected by and from the Scottish Rugby Council and up to four executive directors. The following provisions shall apply to the members of the Scottish Rugby Board:-

- 47.1 The four non-executive directors shall be appointed by the Scottish Rugby Board after recommendation from the Nomination Committee. The Nomination Committee shall, if considered appropriate, seek advice from professional recruitment consultants prior to making recommendations.
- 47.2 The executive directors shall be the person who holds the position of Chief Executive and up to three other full time employees of the Union whose appointments will be determined by the Scottish Rugby Board after recommendation from the Nomination Committee.
- 47.3 Each member of the Scottish Rugby Board who is a non-executive director elected from the Scottish Rugby Council shall be appointed for a period of three years, subject to the Bye-Laws of the Union. Such member is eligible for re-appointment following an initial term of appointment but may not be re-appointed after serving six years as a non-executive director, whether continuously or as the aggregate of a series of shorter periods, without the expiry of a period of three years. Prior years' service will continue to count towards the maximum period of six years until a three-year period out of office has elapsed since the most recent of those prior years.
- 47.4 The Scottish Rugby Board shall elect a Chairman for a time not exceeding three years from amongst those members of the Scottish Rugby Board who are non-executive directors and/or directors elected from the Scottish Rugby Council. If the Chairman of the Scottish Rugby Board is not present at any meeting those members of the Scottish Rugby Board present shall elect a chairman for the meeting from among the non-executive directors and/or the directors elected from the Scottish Rugby Council. The Chairman of a meeting shall have a casting vote in addition to a deliberative vote.
48. Each member of the Board will require to consent in writing to such Code of Conduct as the Board may from time to time require applying, to him or her as an individual. In the event of any person appointed as a director refusing to so consent such person may be removed from office by resolution of the Board.
- 49 Subject to the provisions of Article 47, the holders of more than one half of the equity share capital of the company shall be entitled at any time and from time to time by notice in writing to the secretary of the company at any time when there are no directors of the company to appoint any person to be a director of the company and by like notice to remove any of such directors so appointed at any time or times and by like notice to appoint any other person to be a director in place of such director so removed or in place of any such director who has died or vacated office in any way.
- 50 Notwithstanding the provisions of Article 56, in the conduct of the management of the company and in the exercise of the powers granted to the directors in terms of the said Regulation and in terms of the other provisions of these Articles of Association the directors shall, at all times, exercise all reasonable endeavours to promote the objects of the Union and implement the policies and decisions, from time to time, constitutionally determined by the Union or any committee thereof.

ALTERNATIVE DIRECTORS

51. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate

director and may remove from office an alternate director so appointed by him.

52. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
53. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
54. Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors.
55. Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

56. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by a special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration has not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
57. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

58. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT OF DIRECTORS TO FILL VACANCY

59. 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 fixed by or in accordance with the articles as the maximum number of directors.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

60. The office of a director shall be vacated if:-
- (a) he ceases to be a director by virtue of any provisions of the Act or he becomes be prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (d) he resigns his office by notice to the company; or
 - (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
 - (f) he shall cease to be appointed to the position or office as a consequence of which he was appointed; or
 - (g) he shall be the subject of a notice of removal given pursuant to Article 49 of the Articles of Association of the company.

REMUNERATION OF DIRECTORS

61. The non executive directors and those directors elected from the Scottish Rugby Council shall be entitled to receive such remuneration as is agreed by the Scottish Rugby Board on the recommendation of the Remuneration Committee."

DIRECTORS' APPOINTMENTS AND INTERESTS

62. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provisions by him of any service outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company. A managing director and a director holding another executive office shall not be subject to retirement by rotation.
63. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

64. For the purposes of regulation 63 :

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) and interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

INTERESTS OF DIRECTORS AND CONNECTED PERSONS

65. Each of the directors shall be obliged, on appointment, to notify the secretary of the company of the names of any rugby club and any similar body of which he or his spouse or any of his children or step children are members which has received or is likely to receive funding from the company or Union, and to notify the secretary of any changes to such information from time to time.

DIRECTORS' GRATUITIES AND PENSIONS

66. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including as spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

67. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
68. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds

office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

69. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
70. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
71. Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interests or duty arises only because the case fall within one or more of the following paragraphs:-
 - (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;
 - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;
 - (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purpose of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

72. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
73. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
74. Where proposals are under consideration concerning the appointment of two or more

directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

75. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

76. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

77. The directors shall cause minutes to be made in books kept for the purpose: -
- (a) of all appointments of officers made by directors; and
 - (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

78. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

79. Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
80. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall 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 any shares having deferred or non-preferential rights.
81. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid

up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

82. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

ACCOUNTS

83. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

CAPITALISATION OF PROFITS

84. The directors may with the authority of an ordinary resolution of the company-
- (a) subject as hereinafter provided, resolve to capitalise any undividend profits of company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one and partly in the other; but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for purposes of this regulation, only be applied in paying up unissued shares to allotted to members credited as fully paid;
 - (c) make such provision by the issue of fractional certificates or by payment in cash otherwise as they determine in the case of shares or debentures become distributable under this regulation in fractions; and
 - (d) authorise any person to enter on behalf of all the members concerned into agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled u such capitalisation, any agreement made under such authority being binding in such members.

NOTICES

85. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
86. The company may give any notice to a member either personally or by sending post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the

holder whose name stands first in the register of members in respect of the joint holding notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him shall be entitled to have no given to him at that address, but otherwise no such member shall be entitled to receive notice from the company.

87. A member present, either in person or by proxy, at any meeting of the company the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
88. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to a person from whom he derives his title.
89. Proof that an envelope containing a notice was properly addressed, prepaid posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
90. A notice may be given by the company to the persons entitled to a share consequence of the death or bankruptcy of a member by sending or delivering it, in manner authorised by the articles for the giving of notice to a member, addressed to the name, or by the title of representatives of the deceased, or trustee of the bankrupt or by like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, and may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

91. If the company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the company and may, for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

RESTRICTIONS

92. Except with the prior sanction of a motion passed by two-thirds majority of those present and entitled to vote at a properly convened General Meeting of the Union:-
 - 92.1 the whole of the issued share capital of the company shall be held by the Union or by trustees on its behalf;
 - 92.2 the company shall not dispose of the whole or a substantial part of its business, undertaking or assets;
 - 92.3 the company shall not alter its Memorandum or Articles; and
 - 92.4 no resolution for the winding up of the company shall be passed.

INDEMNITY

93. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director, auditor, secretary or other officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

ARTICLES OF ASSOCIATION
OF
SCOTTISH RUGBY UNION plc

Amended as at [] 2007

2007
jnk.pam

ANDERSON STRATHERN
1 Rutland Court
Edinburgh EH3 8EY
FAS0208