

No. 49116

**COMPANIES ACTS 1985 TO 1989
COMPANY LIMITED BY SHARES**

**MEMORANDUM
and
ARTICLES OF ASSOCIATION
of
THE SUNDERLAND ASSOCIATION FOOTBALL CLUB LIMITED**

**Memorandum amended and new Articles adopted by
Special Resolution passed on 15 November 1991**

**Articles further amended by Resolutions passed on 9 June 1993,
25 October 1996 and 3 September 1998**



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THE COMPANIES ACTS 1862 - 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

THE SUNDERLAND ASSOCIATION FOOTBALL CLUB. LIMITED

(as amended by Special Resolution passed on 15 November 1991)

1. The name of the Company is "THE SUNDERLAND ASSOCIATION FOOTBALL CLUB, LIMITED."
2. The Registered Offices of the Company will be situated in England.
3. The objects for which the Company is established are:
 - (a) To carry on business as a general commercial company.
 - (b) To take over the Assets and Liabilities of the Sunderland Association Football Club.
 - (c) To appoint a President and Vice-Presidents of the Club who need not necessarily be shareholders.
 - (d) To promote the practice and play of football, cricket, lacrosse, lawn tennis, hockey, bowls, bicycle and tricycle riding, running, jumping, the physical training and development of the human frame, and other athletic sports, games, and exercises of every description; and any other games, pastimes, sports, recreation, amusements, or entertainments. And to buy, sell, exchange, or hire all articles, implements, fixtures, furniture, apparatus, and things used in the playing or practice of such games or pursuits and any other implements or things used or required by the Members of the Club or for the promotion of the objects of the Club, and for that purpose to establish, engage, and maintain teams of Football and other players whether composed of amateur professional players or partly of one and partly of the other.
 - (e) To arrange for, hold, and conduct Football Matches and Athletic Sports, Amusements, Shows, and Entertainments.
 - (f) To acquire money, by gift or subscription, and to distribute the same in or about the furtherance of all or any of the objects of the Club; and to raise or grant sums of money to be awarded towards or as prizes or otherwise in connection with any such matters as aforesaid on such terms as may be prescribed.

- (g) To join in and promote the competitions for Challenge Cups, or other similar competitions for the purpose of the Club, or for the benefit of Charities or other like objects.
- (h) To improve, revise, amend, establish, or alter the rules regulating any or all of the sports and pastimes above enumerated, and to join or subscribe to any Union or Association for the like objects.
- (I) To co-operate or join with any person or persons, Club, Company, or Association having the same or like objects in any manner and for any purpose which may be thought proper in furtherance of the objects of the Club.
- (j) To acquire or undertake the whole or any part of the business and assets of any person, firm, or Company carrying on any of the businesses or objects which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake the liabilities of such person, firm, or Company, or to acquire an interest in, amalgamate with, or enter into any arrangements for sharing profits, or for cooperation, or for limiting competition, or for mutual assistance with any such person, firm, or Company, and to give or accept by way of consideration for any of the acts or things aforesaid, any Shares, Debentures, or Securities that may be agreed upon, and to hold and retain or sell, mortgage, and deal with any Shares, Debentures, or Securities so received.
- (k) To acquire and hold, by purchase, lease, exchange, or otherwise, any lands, buildings, tenements, hereditaments, or premises, or property of any other description which may from time to time or at any time be necessary or convenient for the objects of the said Club and particularly to carry into effect an agreement dated the 9th day of July, 1896, made between John Potts Henderson for and on behalf of the Sunderland Association Football Club of the one part, and Robert Thompson for and on behalf of the Sunderland Association Football Club, Limited.
- (l) To acquire manage develop turn to account charge or dispose of any interest in property of any description in any way and upon such terms as the Directors consider to be in the best interests of the Company.
- (m) To build and erect, construct, fit up, and maintain such houses, buildings, stands, pavilions, cycle tracks, embankments, walls, gates, fences, entrances, and other erections as may from time to time be required for the purposes of the Club, and to remove or enlarge, or otherwise alter, rebuild, improve, repair, or deal with any such houses, buildings, and premises, or any other property of the Club.
- (n) To fix and enforce a scale of charges for admission to such ground or grounds, buildings, pavilions, or stands of the Club, and generally to manage the same as may be required for the objects and benefit of the Club.
- (o) To adopt, lay out and prepare, enclose, level, drain, and form approaches, and make and construct roads to and from any buildings, land, or ground of the Club.

- (p) To become if necessary a member of and subscribe to the Football Association, the Football League, or any other Alliance, League, or Association having objects altogether or in part similar to those of the Club.
- (q) To effect Insurance against accidents to the players, also against fire damages or burglary to the buildings or property of the Club, with some properly Incorporated Insurance Company.
- (r) To pay dividends upon the amount of subscribed Capital of not more than the maximum dividend allowed from time to time by the English Football Association.
- (s) To invest the moneys of the Company not immediately required upon such securities as may from time to time be determined.
- (t) To permit and allow any person or persons, Club, Company, or Society to use and enjoy the said grounds, lands, buildings, tenements, and hereditaments for such purposes and upon such terms and conditions as shall be fixed and determined.
- (u) To borrow and raise money, by mortgage or charge of the undertaking, and all or any part of the property of the Company, present and future, and all or any of the uncalled or un-issued Capital for the time being of the Company, and in particular by the issue of Debentures or Debenture Stock of any description and either with or without the whole or any part of the property or assets of the Company being given as security for such money, and generally in such manner and upon such terms as the Company shall think fit, and to pay off or re-borrow such money in such manner and upon such terms as may appear fit or expedient.
- (v) To arrange with amateur football players, cricketers, and other athletes, and to hire, employ, and pay professional football players, cricketers, and other professional athletes, artistes and entertainers, and also servants and workmen for attending to the ground or grounds for the time being of the Club, taking gate money at matches, sports, and festivals, and for carrying out any other object which the Club shall think advisable.
- (w) To pay all or any expenses incurred in connection with the formation, promotion, and Incorporation of the Company, or to contract with any person, firm, or Company, to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any Shares, Debentures, or Securities of the Company, and to remunerate any person rendering services to the Company.
- (x) To provide for certain privileges for the present members of the Club.
- (y) To provide benefits of all kinds for employees ex-employees or other persons rendering services to the Company, or for their spouses or dependants and to such an extent as may be permitted by law to indemnify and provide indemnity insurance for any officer of the Company.

- (z) To do all or any of the things and matters aforesaid in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others; and to do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

It is hereby expressly declared that each sub-clause of this Clause shall be construed independently of the other sub-clauses hereof, and that none of the objects mentioned in any sub-clause shall be deemed to be merely subsidiary to the objects mentioned in any other subclause.

4. The Liability of the Members is Limited.

5.* The Capital of the Company is £5,000 divided into 5,000 shares of £1 each, with power to increase or reduce the same, and to issue any part of the original or increased Capital with such preferences, priorities, rights or privileges, or subject to such restrictions, or with rights postponed or deferred in such manner as the Company in General Meeting may determine.

* FOOTNOTE:

The Share Capital of the Company was increased:-

- (1) On 30 March 1977 from £5,000 to £10,000
- (2) On 23 July 1991 from £10,000 to £15,000
- (3) On 21 May 1996 from £15,000 to £30,000
- (4) On 25 October 1996 from £30,000 to £33,000

No. 49116

COMPANIES ACTS 1985 - 1989
COMPANY LIMITED BY SHARES
NEW

ARTICLES OF ASSOCIATION

of

THE SUNDERLAND ASSOCIATION FOOTBALL CLUB LIMITED

(adopted by Special Resolution on 15 November 1991)
(amended by Resolutions passed on 9 June 1993, 25 October 1996
and 3 September 1998)

PRELIMINARY

- 1 (A) The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table A") shall apply to the Company save in so far as they are hereby modified or excluded.

(B) Regulations 8, 24, 73 to 75 inclusive, 77 to 80 inclusive, and 82 of Table A shall not apply to the Company.
- 2 The Company is a private company and accordingly no offer shall be made to the public (whether for cash or otherwise) of any shares in or debentures of the Company and no allotment or agreement to allot (whether for cash or otherwise) shall be made of any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

SHARES

- ¹³ At the date of these Articles the share capital of the Company is £15,000 divided into 15,000 Ordinary Shares of £1 each.
- 4 (A) The Directors may unconditionally exercise the power of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act).

(B) The general authority conferred by this Article shall: -

¹ Footnote:- increased on 21 May 1996 to £30,000 and on 25 October 1996 to £33,000.

- (i) extend to all relevant securities of the Company created but unissued at the date of these Articles.
 - (ii) expire on the fifth anniversary of the adoption of these Articles unless varied or revoked or renewed by the Company in General Meeting; and
 - (iii) entitle the Directors to make at any time before the expiry of such authority any offer or agreement which will or may require relevant securities to be allotted after the expiry thereof.
- 5 Subject to Section 89 of the Act and without prejudice to the generality of the provisions of Article 4 any shares unissued at the date of the adoption of this Article and any shares hereafter created shall be under the control of the Directors who may allot grant options over or otherwise deal with or dispose of the same to such persons (including the Directors themselves) on such terms and in such manner as they think fit, provided that no shares shall be issued at a discount.
- 6 The Directors continue to be authorised until 22 July 1996 to allot such shares as had not been taken up under a rights offer made on 23 July 1991 in accordance with Section 89 of the Act.
- 7 The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any member whether solely or one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. -The Company's lien on a share shall extend to all dividends payable thereon.

TRANSFER OF SHARES

- 8 (A) Subject to Article 9(A) a share may be transferred to any close relative of a member (as defined below) or to trustees for the benefit of a member or such close relative or to an existing member or to a person whose admission to membership the Directors approve, provided that the Directors may refuse to approve transfers which divide a holding of shares if the resulting holding of the transferee or the transferor would be less than 25 shares.
- (B) For the purposes of paragraph 8(A) above a close relative means any child or other issue, son-in-law, daughter-in-law, father, mother, brother, sister, nephew, niece, wife, husband, widow or widower.
- 9 (A) Notwithstanding anything contained in Article 8 the transfer of any share or disposal of any interest in a share is subject to the approval of the Directors who 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.
- (B) A person, whether a member or not, who wishes to transfer any shares or dispose of any interest therein (a "Transferor") shall serve on the Directors of the Company a notice in writing of his wish so to do (a "Transfer Notice"). A Transferor desiring to dispose of any interest in any shares shall be deemed for the purposes of this Article to be wishing to transfer such shares to the person to whom the interest is to be disposed and shall accordingly serve on the Directors a Transfer Notice.

- (c) The Transfer Notice may include full details of the proposed transfer or disposal, including the name of the transferee or person to whom any interest is to be disposed of and whether he is an existing member or a close relative as defined in Article 8(B) above. If the Directors approve the proposed transfer they shall notify the Transferor accordingly. If the Directors do not approve the proposed transfer the provisions contained in paragraphs (D) to (I) of this Article shall apply.
- (D) The Transfer Notice shall in all cases state the number and class of shares which the Transferor desires to transfer or dispose of and shall constitute the Directors his agents for the sale of such shares (the "Sale Shares") at a price determined in accordance with paragraph (E) of this Article.
- (E) For the purpose of paragraph (D) of this Article the price shall be such price as shall be agreed between the Transferor and the Directors of the Company or failing agreement such price as the Auditors of the Company acting as experts and not as arbitrators shall certify to be in their opinion the fair value of the Sale Shares on the basis of an arms length transaction as between a willing vendor and a willing purchaser but the fair value of each of the Sale Shares shall be its value as a rateable proportion of the total value of all the issued shares of the Company and shall not be discounted or enhanced by reference to the number of Sale Shares referred to in the Transfer Notice.
- (F) Within 7 days of the determination of the price in accordance with paragraph (E) above, the Directors shall forthwith offer the Sale Shares for sale at the price thus determined. The Sale Shares shall be offered for sale in the first instance to existing members in proportion as nearly as is practicable to their existing holdings. Any shares so offered but not accepted shall be offered for sale to such persons as the Directors shall determine. Fractional entitlements shall not be offered to members but shall be aggregated and offered for sale to such persons as the Directors shall determine.
- (G) The Directors shall notify the Transferor of the number of Sale Shares for whom they have found purchasers. If such number is less than the total number of Sale Shares the Transferor may:
 - (i) withdraw the Transfer Notice; or
 - (ii) within 3 months of such notification sell all or any part of the Sale Shares on his own-behalf without restriction under paragraph (B) of this Article but subject to Article 8(A) at a price not less than that determined in accordance with paragraph (E) above; or
 - (iii) sell all or any part of the Sale Shares for which the Directors have found purchasers to such purchasers.
- (H) If the Directors shall have found purchasers for all the Sale Shares or if the Transferor shall have agreed to sell such lesser number of shares under paragraph (G) (iii) above the Transferor shall be bound upon receipt of the price determined in accordance with paragraph (E) above to transfer the Sale Shares (or such of the same for which the Directors shall have found purchasers) to the purchasers specified by the Directors in accordance with this Article.
- (I) If the Transferor makes default in so transferring the Sale Shares the Directors shall authorise some person to execute a transfer of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holders of

such of the Sale Shares as shall have been so transferred to them and the Company shall receive and give a good discharge for the purchase money on behalf of the Transferor but shall not be bound to earn or pay interest thereon.

TRANSMISSION OF SHARES

- 10 The transmission of shares by reason of the death or bankruptcy of a member shall be subject to the same restrictions as transfers and disposals described in Articles 8 and 9 above.
- 11 A person becoming entitled to a share by reason of the death or bankruptcy of a member shall not, before being registered as a member in respect of the share, be entitled to receive a copy of any balance sheet (or other document required by law to be annexed thereto) or any notice of a General Meeting, and regulations 31 and 38 of Table A shall be modified accordingly.

VOTES OF MEMBERS

- 12 A proxy shall be entitled to vote on a show of hands and regulation 54 of Table A shall be modified accordingly.
- 13 No member who has agreed to cast a vote in accordance with the directions of any other person, firm or company not registered as a member shall be entitled to be present or to vote on any question, either personally or by proxy, or to be reckoned in a quorum at any General Meeting without the consent in writing of the Directors and any Resolution passed at any such Meeting which would not have been passed but for the vote of a member cast in contravention of the provisions of this Article shall be null and void and of no effect. Regulation 58 of Table A shall not apply to any vote cast in contravention of the provisions of this Article.

DIRECTORS

- 14 (A) The Directors shall not be liable to retire by rotation.
- 15 (A) The Company may by Ordinary Resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
(B) 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 maximum number of Directors (if there be any maximum) is not exceeded.

POWERS AND DUTIES OF DIRECTORS

- 16 Subject to the provisions of Section 317 of the Act, a Director may vote on any contract or arrangement in which he is interested and on any matter arising therefrom and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration. Regulations 94 and 95 of Table A shall be modified accordingly.

INDEMNITY

- 17 To the extent permitted by the law the Directors may arrange insurance cover at the cost of the Company in respect of any liability, loss or expenditure incurred by any Director, officer or the Auditors of the Company in relation to anything done or alleged to have been done or omitted to be done as S Director, officer or as the Auditors.

ASSOCIATE DIRECTORS, PRESIDENTS AND VICE PRESIDENTS

- 17A The Directors may appoint persons (which terms shall include corporations) as associate directors, presidents and vice presidents upon such terms as it sees fit and may remove any person thus appointed. The rights duties and other conditions attaching to such appointments shall be determined by the Directors and need not be the same as between different persons appointed to such offices. The appointment to such office shall not simply that the office holder is empowered in any respect to act as a director of the Company or is deemed to be a director for any purposes of the Act or these Articles and shall not confer any right to attend members or directors meetings nor to vote at any meetings to which he is invited.

RULES IMPOSED BY RULE 34 OF THE FOOTBALL ASSOCIATION

GENERAL PROVISIONS

- 18 The Rules and Regulations of The Football Association Limited for the time being shall be deemed to be incorporated herewith and shall prevail in the event of any conflict with the provisions set out herein.
- 19 No proposed alteration to the provisions set out herein shall be effective unless the proposed alteration has been approved in writing by The Football Association 14 days or more before the day on which the alteration is proposed to take place.

DISQUALIFICATION OF DIRECTORS

- 20 The office of a Director shall be vacated if such person is subject to a decision of The Football Association that such person be suspended from holding office or from taking part in any football activity relating to the administration or management of a Football Club.

WINDING UP OF THE COMPANY

- 21 On the winding-up of the Company the surplus assets shall be applied, first, in repaying the Members the amount paid on their shares respectively. If such assets are insufficient to repay the said amount in full, they shall be applied rateably, so that the loss shall fall upon the Members in proportion to the amount called up on their shares respectively. No Member shall be entitled to have any call upon other Members for the purpose of adjusting the Members' rights; but where any call has been made and has been paid by some of the Members such call be enforced against the remaining Members for the purpose of adjusting the rights of the Members between themselves.

If the surplus assets shall be more than sufficient to pay to the Members the whole amount paid upon their shares, the balance shall be given by the Members of the Club, at or before the time of dissolution as they shall direct, to The Football Association Benevolent Fund, or to some Club or Institute in Sunderland or Tyne and Wear having objects similar to those set out in the Memorandum of Association or to any local charity, or charitable or benevolent institution situate within Sunderland or Tyne and Wear.

In default of any such decision or apportionment by the Members of the Club, the same to be decided upon and apportioned by a Judge of the High Court of Justice having jurisdiction in such winding-up or dissolution and as he shall determine.

Alternatively such balance may be disposed of in such other manner as the Members of the Club with the consent of the Council of The Football Association, as then existing, shall determine.