

THE COMPANIES ACT 1985 AND 1989
PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

FALKIRK FOOTBALL AND ATHLETIC CLUB LIMITED

(Adopted by Special Resolution passed on 22nd June 1998)

PRELIMINARY

1. The Regulations contained in Table A in the First Schedule to the Companies Act 1862 shall not apply to the Company. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) ("Table A"), save insofar as they are excluded or modified hereby or inconsistent herewith, shall apply to the Company.
- 2.1 Regulations 5, 8, 64, 73 to 75 (both inclusive), 80, 94 and 95 of Table A shall not apply to the Company and the following Regulations of Table A shall be modified:-

Regulation 6 by the deletion of the words "sealed with the seal" and the substitution of the words "executed in terms of section 36B of the Act";

Regulation 24 by the addition of the words "(in their absolute discretion and without assigning any reason therefore)" between the words "may" and "refuse" and the deletion of the words "which is not" and the substitution of the words "whether or not it is" and by the deletion of paragraph (c);

Regulation 32 by the deletion of paragraph (a) and the consequential re-lettering of the subsequent paragraphs;

Regulation 40 by the deletion of the word "Two" and the substitution of the word "Four";

Regulation 41 by the addition at the end of the words "and at such adjourned meeting the member or members present (being an individual) in person or (being a corporation) by a duly authorised representative or (in either case) by proxy shall be a quorum and shall be entitled to proceed with the business of the meeting and exercise thereat all the powers of the members in general meeting, unless the meeting was convened on the requisition of members in which case it shall be dissolved.";



Regulation 46 by the deletion of paragraphs (a) to (d) inclusive and the substitution of the words "by the chairman or by any person present entitled to vote upon the business to be transacted;"

Regulation 54 by the addition of the words "or by proxy" between the words "vote," and "shall" and the words "fully paid" between the words "every" and "share";

Regulation 59 by the deletion of the second sentence and the substitution of the words "A member may appoint one proxy only on each occasion.";

Regulation 66 by the addition of the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)" between the words "shall" and "be";

Regulation 67 by the deletion of the words from "but" until the end;

Regulation 72 by the addition of the words "Any committee shall have power, unless the directors direct otherwise, to co-opt as a member or members of the committee for any specific purpose any person, or persons, not being a director of the Company.";

Regulation 76 by the deletion of the words "other than a director retiring by rotation", "or reappointed" and "or reappointment" each time they appear;

Regulation 77 by the deletion of the words "(other than a director retiring by rotation at the meeting)", "or reappointment" and "or reappointed" each time they appear;

Regulation 78 by the deletion of the words "and may also determine the rotation in which any additional directors are to retire";

Regulation 79 by the deletion of the second and third sentences;

Regulation 82 by the addition of the words "by way of directors' fees" shall be inserted between the words "remuneration" and "as";

Regulation 84 by the addition of the words "Unless the contrary shall be provided in the terms of his appointment" at the beginning of the third sentence and the deletion of the fourth sentence;

Regulation 85(c) by the addition of the words ",subject to the terms of any contract of employment between the Company and the director," between the words "shall" and "not";

Regulation 87 by the addition of the words "the holding company of the Company or" between the words "been" and "a", the words "a subsidiary of the holding company of the Company" between the words "company" and "or" (the second time they appear) and the words "or of any such holding company" between the words "or" and "of";

Regulation 88 by the addition of the words "Each director shall receive 3 clear days written notice of a directors meeting." between the words "directors." and "It";

Regulation 89 by the deletion of the word "two." and the substitution of the word "four.";

Regulation 106 by the addition of the words "(which at the option of the Company may be crossed and bear across its face the words "Account Payee")" after the word "cheque" the first time it appears in the second sentence and by the deletion of the words "the order of" after the word "to"; and

Regulation 115 by the deletion of the number "48" and the substitution of the number "24".

Unless otherwise required by the context of the articles, words or expressions which are defined in Table A shall have the same meaning in the articles.

Unless otherwise required by the context of the articles, words importing the singular only shall include the plural and vice versa; words importing any gender shall include the other genders; and words importing natural persons shall include corporations and vice versa.

- 2.2 In the articles "the MSG" means, together, each member of the Company who holds at any time and from time to time not less than 5% in nominal value of the issued share capital of the Company, each such member being a "member of the MSG".

SHARE CAPITAL

- 3.1 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to allot relevant securities (within the meaning of section 80(2) of the Act) provided that (a) the maximum amount of relevant securities to be allotted pursuant to this authority shall be the nominal amount of the authorised share capital of the Company at the date of the passing of the resolution by virtue of which this article was adopted as part of the articles and (b) this authority shall expire, unless previously revoked or varied by the Company in general meeting, on the expiry of the period of five years from the passing of the resolution by virtue of which this article was adopted as part of the articles save that the directors may, after such revocation, variation or expiry, allot relevant securities in pursuance of an offer or agreement so to do made by the Company prior to such revocation, variation or expiry (which the Company, by this authority, is allowed to make).
- 3.2 Section 89(1), section 90(1) to (5) and section 90(6) of the Act shall be excluded from applying to the allotment of equity securities (as defined in section 94 of the Act) of the Company.
- 3.3 The Company may by special resolution increase its share capital by new shares of such amount as the resolution prescribes.
4. The Company shall be entitled, but shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the

shares of the Company. Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust (whether express, 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 holders of such shares as if they were the absolute owners thereof. For the purposes of this article, "trust" includes any right thereto in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in case of transmission thereof as are mentioned in Table A.

ISSUE OF SHARES

- 5.1 Any unissued shares in the capital of the Company proposed to be issued shall before issue be offered in accordance with this article to the holders of fully paid shares of the Company unless the Company shall by special resolution otherwise resolve.
- 5.2 Any such offer shall be made in writing, shall offer all the shares proposed to be issued on the same terms to each holder of fully paid shares and shall specify:-
 - (a) the number of shares on offer;
 - (b) the price at which the shares are being offered and the terms for payment;
 - (c) the aggregate number of shares in issue in the capital of the Company at the date of the offer (differentiating between fully paid and partly paid or nil paid shares);
 - (d) the number of shares in the capital of the Company held at the date of the offer by the holder to whom the offer is addressed (differentiating between fully paid and partly paid or nil paid shares);
 - (e) the date (being not less than 14 days nor more than 28 days after the date the offer is made) by which the offer is to be accepted and that if it is not accepted by such date it shall be deemed to be declined; and
 - (f) that any acceptance of the offer must be in writing and be delivered to the office (or such other place in the United Kingdom as may be stated in the offer).
- 5.3 Any such offer shall be the price at which the shares are being offered and the terms for payment subject to the following conditions which shall either be repeated or referred to therein:-
 - (a) an acceptance may be for all or any number of the shares offered, shall be unconditional and payment (in favour of the Company) for all of the shares for which acceptance is made shall be made with the acceptance;
 - (b) if the aggregate number of shares for which acceptances are duly made exceeds the number of shares offered, then each holder who has accepted shall be deemed to have accepted (and be obliged to take) the lesser of (i) the number of shares which he accepted and (ii) the

proportionate number of the shares offered which is equal to the proportion which the number of fully paid shares held by the accepting holder bears to the aggregate number of fully paid shares held by all the holders to whom the offer was made (in each case at the date of the offer);

- (c) if any holder to whom such offer has been made has not had his acceptance fully met pursuant to (b) above, then that holder shall, in addition, be deemed to have accepted (and be obliged to take) the lesser of (i) the number of shares which when added to the number of shares allocated to him pursuant to (b) above meets his acceptance in full and (ii) the number of the shares offered and not allocated to accepting holders pursuant to (b) above (rounded up or down to the nearest whole number at the discretion of the directors) which is equal to $\frac{A}{B} \times C$ where:-
B

A is the number of fully paid shares he held at the date of the offer;

B is the aggregate number of fully paid shares held at the date of the offer by all the accepting holders whose acceptances have not been fully met pursuant to (b) above; and

C is the number of shares originally offered and not accepted pursuant to (b) above;

- (d) if, after applying the provisions of (b) and (c) above, any such offer shall not be accepted in full, the directors may dispose of the shares not so accepted within 6 months of the date of the offer to such persons and in such manner as they consider appropriate but only at least the same price and on no better terms for payment than as specified in the offer.

- 5.4 If in accordance with article 5.1 any shares are excluded from the foregoing provisions of this article then the directors shall be entitled to dispose of such shares to such persons and in such manner and on such terms as they think fit.
- 5.5 Any shares which the Company is entitled to sell pursuant to Regulation 9 or Regulation 33 of Table A or sell, re-allot or otherwise dispose of pursuant to Regulation 20 of Table A shall be offered in accordance with this article as if they were unissued shares.
- 5.6 The provisions of Table A regarding the giving of notice shall apply to any offer made by the directors pursuant to this article.
- 5.7 The Company shall repay or return any excess monies paid by a holder within 7 days of the date of expiry of the offer to which they relate.

TRANSFER AND TRANSMISSION OF SHARES

- 6.1 Any holder of shares being an individual (or his executors or testamentary trustees) shall be entitled to transfer all or any of the shares in the capital of the Company held by him to a company in which such holder is the beneficial owner of at least 50% of the equity share capital or to the spouse of such holder or to any lineal ascendant or descendant of such holder or spouse or to the

trustees acting under a deed of trust or other settlement wholly or mainly for the benefit of any of such persons. A trustee or trustees of such a trust shall also be entitled to transfer any such shares to a new trustee or trustees or to any beneficiary entitled under such trust. If any such shares are to cease to be held in such a trust, otherwise than in consequence of a transfer to any beneficiary thereunder, the trustee or trustees shall forthwith lodge a transfer at the office of the Company (in terms of regulation 24 of Table A) in respect of the shares in question and such shares may not otherwise be transferred and if the holder ceases to be the beneficial owner of at least 50% of the equity share capital of such a company then that company shall forthwith lodge a transfer at the office of the Company (in terms of regulation 24 of Table A) in respect of the shares in question and such shares may not otherwise be transferred; failure to lodge a transfer at the office of the Company within 28 days of the relevant event shall result in the shares in question being deemed to be the subject of a transfer in which the proposed price is deemed to be par.

- 6.2 Any member being a corporation may at any time transfer all or any of the shares in the capital of the Company held by it to any holding company or wholly owned subsidiary or subsidiaries of any such company or such holding company on terms (in any such case) that if the transferee ceases to be in the said relationship with the original transferor it shall forthwith retransfer the shares in question to a company in the group of companies of which the original transferor was a member; failure so to retransfer such shares within 28 days of the transferee ceasing to be in the said relationship with the original transferor shall result in the shares in question being deemed to be the subject of a transfer (in terms of regulation 24 of Table A) in which the proposed price is deemed to be par.
- 6.3 No sale or transfer of any shares in the Company may be made or validly registered if as a result of such sale or transfer thereof a controlling interest (being an interest, within the meaning of Schedule 13 to the Companies Act 1985, in shares in the Company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in the Company) is obtained in the Company by any person or persons (who in relation to each other are acting in concert, as that expression is defined in the City Code on Takeovers and Mergers) who are not members of the Company at the date of adoption of these Articles unless the proposed transferee or transferees or his or their nominees has or have offered to purchase the whole of the issued shares in the Company at a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the shares in question to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the shares in question which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the shares in question; in the event of disagreement the calculation of such price shall be referred to an expert (acting as an expert and not as arbiter) nominated by the parties concerned (or, in the event of disagreement as to nomination, appointed by the president for the time being of the Institute of Chartered Accountants in Scotland) whose decision shall be final and binding.

LIEN

7. The Company shall have a first and paramount lien on every share (whether or not fully paid) for (i) all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and (ii) for all moneys owing to the Company by the registered holder thereof (whether as sole registered holder or one of joint registered holders) or his estate, either alone or jointly with another or others and whether as a member of the Company or not and whether such moneys are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this article. The Company's lien on a share shall extend to all rights attaching thereto and all dividends and other sums payable in respect thereof.

DIRECTORS

8. Unless otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall not be more than ten nor less than four.
9. The directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company in such manner as they think fit, including the exercise thereof in favour of any resolution appointing them or any of their number directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.
10. Any director (including an alternate director), or member of a committee of the directors, may participate in a meeting of the directors, or such committee, by means of a conference telephone or similar communication equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
11. Subject to first declaring the nature of his interest, a director shall be counted in the quorum present at any meeting in relation to a resolution on any matter in which he is interested, whether directly or indirectly, and he may vote on such resolution and any further resolution arising therefrom. A general declaration under Section 317(3) of the Act shall be sufficient for this purpose.
- 12.1 So long as any member of the Company holds not less than 10% of the issued share capital of the Company then that member shall have the right at any time and from time to time to appoint one person as a non-executive director of the Company ("Nominated Director") and the following provisions shall have effect:-
- 12.2 any such appointment shall be effected by notice in writing to the Company by the member holding not less than 10% of the issued share capital of the Company who may in like manner any time and from time to time remove from office the Nominated Director appointed pursuant to this Article and appoint any person in place of any Nominated Director so removed or dying or otherwise vacating office as Nominated Director,
- 12.3 should the shareholding of member who nominated the director be reduced at any time, for whatever reason, so that his shareholding is less than 10% of the issued share capital of the Company then the Nominated Director shall resign from his office forthwith unless the Board of directors direct to the contrary.

13. Regulation 81(e) of Table A shall not apply to the Nominated Director.

MSG

- 14.1 Each member of the MSG shall:

- 14.1.1 be provided by the directors with a finance and business report on a quarterly basis;
- 14.1.2 be provided with a written copy of the Company's annual budget at least one month prior to the start of each financial year of the Company;
- 14.1.3 have the right to raise questions in relation to the reports and budgets to be provided in accordance with articles 14.1.1 and 14.1.2 with the directors and the directors shall provide answers to those questions to each member of the MSG within a period of 4 weeks so far as they are able to do so, having regard to their duties as directors of the Company.

- 14.2 The directors shall notify the MSG in writing of any proposed appointment of a director or chairman of the Company at least 28 days prior to such appointment taking effect. In the event that a majority, by number of shares held, of the members of the MSG object to such an appointment within 14 days of receiving such notification by notice in writing to the directors to that effect, the directors shall review such appointment and, if the directors still propose to make such appointment, shall prior to such appointment promptly notify the members of the MSG in writing of such appointment and the reasons for such appointment so far as they are able to do so having regard to their duties as directors of the Company.

- 14.3 The rights of the members of the MSG contained in articles 14.1 and 14.2 are personal to each of the members of the MSG and cannot be transferred or assigned in any way to any other person (including, for the avoidance of doubt, any other member of the MSG).