

THE COMPANIES (GUERNSEY) LAW, 2008, as amended  
NON-CELLULAR COMPANY LIMITED BY GUARANTEE HAVING A SHARE CAPITAL

**ARTICLES OF INCORPORATION**

of

**GUERNSEY SPORTS COMMISSION LBG**

**(Adopted by Special Resolution dated 28<sup>th</sup> June 2023)**

**1. PRELIMINARY**

- 1.1 "Articles" means these articles of incorporation as amended or replaced;
- 1.2 "Board" means the board of Directors as defined by section 133 of the Companies Law;
- 1.3 "Chairman" means the Sports Commissioner from time to time voted to hold the post of chairman by the Trustees;
- 1.4 "clear days" in relation to the period of notice means the 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;
- 1.5 "the Company" means the Guernsey Sports Commission LBG;
- 1.6 "Companies Law" means The Companies (Guernsey) Law, 2008 as amended, extended or replaced from time to time and any Ordinance, Statutory Instrument or Regulation made thereunder;
- 1.7 "Director" means the Sports Commissioners, any other person appointed as a director and any person deemed as such by sections 131 and 132 of the Companies Law;
- 1.8 "Guernsey" mean the Island of Guernsey;
- 1.9 "Member" means a person whose name is entered in the Members' Register as a member of the Company;
- 1.10 "Members' Register" means a register kept at the registered office of the Company, containing the names, addresses and description of its Members;
- 1.11 "Memorandum" means the memorandum of incorporation of the Company;
- 1.12 "Sports Commissioner" means a person who is willing to act and eligible to be appointed and is from time to time voted to hold the post of sports commissioner by the Trustees such person being a Director;
- 1.13 "Sub-Committee" means, subject to the provision set out in these Articles, any Sub-Committee of the Board;

- 1.14 "the Statutes" means the Companies Law, every other Order in Council or Ordinance for the time being and from time to time in force concerning companies registered in Guernsey and affecting the Company;
- 1.15 "the Trust" means the Guernsey Sports Commission Trust;
- 1.16 "the Trustees" means the trustees from time to time of the Trust;
- 1.17 "Working Party" means any temporarily constituted group set up by the Board or one of its Sub-Committees to report to the forming body on a specific matter;
- 1.18 The singular includes the plural and vice versa, the neuter includes the masculine and feminine and vice versa and words importing persons includes corporation;
- 1.19 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Statutes but excluding any statutory modification not in force when these Articles become binding on the Company;

## **2 OBJECTS**

The Company is established for the purposes expressed in the Memorandum.

## **3 SHARE CAPITAL**

- 3.1 The capital of the Company is £4 divided into 2 shares of £2 each.
- 3.2 The Company may make arrangements on the issue of shares for a difference between shareholders in the amounts and times of payment of calls on their shares.
- 3.3 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 3.4 The Company may exercise the powers of paying commissions conferred by the Statutes provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Statutes and the rate of commission shall not exceed the rate of 5 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

## **4 COMPANY NOT OBLIGED TO RECOGNISE ANY TRUST**

Other than the Trust and except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

## **5 TRANSFER OF SHARES**

- 5.1 Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his shares by instrument in writing in the usual or common form or in any other form which the Board may approve. The instrument of transfer shall be executed by the transferor (and in the case of partly paid shares by the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Members' Register in respect thereof. Shares of different classes shall not be transferred by the same instrument of transfer.
- 5.2 Every instrument of transfer shall be left at the registered office of the Company, or such other place as the Board may prescribe, with the certificate of every share to be thereby transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee and their respective representatives or any of them, A new certificate shall be delivered to the transferee after the transfer is completed and registered on his application for the same and when necessary a balance certificate shall be delivered to the transferor if required by him in writing.
- 5.3 The Board may, in their discretion and without assigning any reasons therefore, refuse to register a transfer of any share to any person of whom they shall not approve as transferee. If the Board refuse to register a transfer of any share they shall within one month after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 5.4 A share of a deceased Member may be transferred or assigned by his executors or administrators to any such person as shall be approved by the Trustees and the Board.

## **6 MEMBERS' REGISTER**

- 6.1 The Company shall keep a Members' Register in accordance with the Statutes, which may be closed during such time as the Board think fit, not exceeding in the whole thirty days in any one year.
- 6.2 In the case of the death of a Member the executors or administrators of the deceased shall be the only persons or person recognised by the Company as having any title to or interest in his shares until a transfer is effected in accordance with paragraph 5.4 above.
- 6.3 A person entitled to shares in consequence of the death or bankruptcy of a Member shall not be entitled to receive notice of or attend or vote at any meeting, or, save as aforesaid and save as regards the receipt of such dividends as the Board shall not elect to retain, to exercise any of the rights and privileges of a Member, unless and until he shall have been registered as the holder of the shares.

## **7 CERTIFICATES**

- 7.1 Every Member shall be entitled to receive within two months after allotment or (subject to Article 5.3) lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or if the member shall so request several certificates each for one or more of his shares.

- 7.2 Every certificate shall specify the shares to which it relates and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 7.3 If a share certificate is defaced, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the matter and generally upon such terms as the Board shall think fit.

## **8 GENERAL MEETINGS**

- 8.1 At least 21 days' notice of the Company's Annual General Meeting shall be given.
- 8.2 All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 8.3 The Board may, whenever it thinks fit, and it shall on requisition made in writing in accordance with the Statutes, convene an Extraordinary General Meeting.

## **9 PROCEEDINGS AT GENERAL MEETINGS**

- 9.1 All business shall be deemed special that is transacted at an extraordinary general meeting, with the exception of the laying before the Annual General Meeting of (i) the accounts and any documents annexed to them, (ii) the reports of the Chairman and any Sub-Committees, (iii) the report of the auditors, (iv) the election of Directors in the place of those retiring and (v) the re-appointment of retiring auditors and the fixing of their remuneration.
- 9.2 Subject to the provisions of the Statutes, and other Articles contained herein, all special business shall require a 75% majority of those voting (abstentions not included) to be carried.
- 9.3 The Chairman, or in his absence, one of the Sports Commissioners shall preside as Chair at every general meeting of the Company.
- 9.4 The Chair may, with the consent of a simple majority vote, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 9.5 At any general meeting, a declaration by the Chair that a resolution has been carried or lost, and any entry to that effect in the minute book of the Company shall be conclusive evidence of that fact.
- 9.6 All votes shall be given personally. In the case of an equality of votes the Chair of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

## **10 THE BOARD**

- 10.1 The Board shall consist of:-
- (a) a Chairman (a Sports Commissioner); and

- (b) not more than eight other Sports Commissioners (not less than two of whom shall be appointed upon recommendation of the States of Guernsey Education, Sport & Culture Committee or such body as may carry on the role of that committee);
- (c) not more than 4 other such persons as may be willing to act and eligible to be appointed as a Director;
- (d) a secretary and a treasurer, to be appointed from its members appointed pursuant to Articles 10.1(b) and 10.1(c) above (and whose duties and/or powers shall include those set out at Articles 10.16 and 10.17 below respectively); and
- (e) a majority of Guernsey or Alderney residents.

10.1.1 The quorum necessary for the transaction of business of the Board is 5 of which at least 3 shall be Sports Commissioners;

10.1.2 Subject to Article 10.7, no member or representative shall obtain pecuniary advantage by virtue of their position as a member of the Company or the Board.

- 10.2 At the first Annual General Meeting of the Company and at each subsequent Annual General Meeting one-third of the Sports Commissioners (chosen by themselves) for the time being shall retire from office. A retiring Sports Commissioner shall retain office until the dissolution or adjournment of the meeting at which his or her successor is elected.
- 10.3 The Sports Commissioners to retire in every year shall be those who have been longest in office since their last election. As between Sports Commissioners of equal seniority the Sports Commissioners to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 10.4 A retiring Sports Commissioner shall be eligible for re-election.
- 10.5 If at any time during the year a vacancy occurs on the Board, the remaining Directors may elect a replacement in a temporary capacity until a replacement is elected at the next following Annual General Meeting.
- 10.6 The election of Directors, other than to fill a casual vacancy in accordance with Articles 10.5 and 10.8 shall be by the Trustees at an AGM.
- 10.7 Directors may be paid all reasonable expenses properly incurred by them in attending and returning from Board and committee meetings, or in connection with the business of the Company.
- 10.8 The Board may continue to act even if their number is reduced by death, retirement or otherwise. However, if their numbers are reduced to below that which constitutes a quorum, the continuing Directors shall only act for the purpose of filling vacancies until a quorum is established. For the avoidance of doubt, once a quorum is re-established under this provision, the Board may fill any further vacancies by virtue of the powers under Article 10.5 above.
- 10.9 The Board shall exercise all such powers and do such things as provided by the Statutes as those which may be exercised or done by the board of a company, save such as are by these Articles or by any statute for the time being in force specifically required to be exercised or done by the members in General Meeting.

- 10.10 Without prejudice to the generality of the foregoing the Board may exercise all the powers of the Company to borrow or raise money and give security for money or money's worth or for any debt, liability or obligation of the Company or of any third party interested in or otherwise having dealings in the ordinary course of business of the Company by the issue of bonds, debentures or debenture stock, bills of exchange, promissory notes or other obligations or securities of the Company or by mortgage or charge upon all or any part of the property of the Company and to give guarantees for the performance of obligations to any third party interested in or otherwise having dealings in the ordinary course of business with the Company.
- 10.11 The Board shall engage such employees as it may consider necessary and shall regulate their duties and fix their salaries and remuneration.
- 10.12 The Board shall meet at least 4 times per year.
- 10.13 The Board may appoint one or more of its members to any number of Sub-Committees or Working Parties to exercise, subject to its directions, a general control over specified parts of the work or business of the Company, Sub-Committees and Working Parties members shall receive all reasonable expenses, at the discretion of the Board, properly incurred, by them.
- 10.14 Sub-Committees and Working Parties shall act in an advisory capacity to the Board. All recommendations and decisions of Sub-Committees and Working Parties are subject to ratification, at its sole discretion and in accordance with Article 10.1.1 (Quorum) by the Board before they become Company policy, decision, rule or bylaw.
- 10.15 In addition to any duties provided for by the Companies Law, Directors shall have duties to:-
- 10.15.1 act in good faith at all times, with a general duty of care;
  - 10.15.2 act only in accordance within the powers afforded by the Memorandum & the Articles;
  - 10.15.3 ensure that there are measures in place to enable the Company to achieve its purpose and mission or objectives effectively, to fulfil its other obligations under its constitution and to discharge any legal obligations to which it is subject;
  - 10.15.4 to review the activities of the Company, as well as its performance, from time to time to ensure that the Company continues to achieve its purpose and mission or objectives effectively, to fulfil its other obligations, and to discharge any legal obligations to which it is subject; and
  - 10.15.5 to take all reasonable measures with the objective of ensuring that the financial position of the Company is satisfactory and prudent for the purposes of the Company's mission or objectives.
- 10.16 The secretary shall have the duties and/or powers as provided for by the Companies Law.
- 10.17 The treasurer shall, in addition to any duties provided for by the Companies Law (if any), have duties to:-
- 10.17.1 assist and advise in regard to ensuring that the Company has the resources to deliver its purpose;
  - 10.17.2 ensure that the Board receives regular and appropriate budgetary and financial reports on the Company;
  - 10.17.3 ensure that proper financial records are kept, and that proper accounts are prepared in the form required (including, where any aspect of the

- Company's financial procedures are delegated, maintaining proper oversight of the same);
- 10.17.4 recommend to the Board appropriate procedures, controls and policies;
  - 10.17.5 if appropriate oversee the appointment of auditors and review on a regular basis; and
  - 10.17.6 ensure that all equipment and assets of the Company are adequately administered, maintained and accounted for.

## **11 DISQUALIFICATION OF DIRECTORS**

- 11.1 The office of a Director shall be vacated if that Director:
  - 11.1.1 is required to vacate the same by the Trustees;
  - 11.1.2 becomes bankrupt or makes any arrangement or composition with his or her creditors generally; or
  - 11.1.3 becomes prohibited from becoming a director; or
  - 11.1.4 becomes incapable by reason of mental disorder, illness or injury of managing his or her property and affairs; or
  - 11.1.5 resigns his or her office by written notice to the Company; or
  - 11.1.6 is directly or indirectly interested with any contract with the Company and fails to declare the nature of his or her interest as required by the Statutes; or
  - 11.1.7 is absent from more than two consecutive Board meetings without explanation; or
  - 11.1.8 is deemed, by resolution of the Board, carried by two thirds majority, to be guilty of conduct prejudicial to the good standing of the Company or to the attainment of its objectives, or who has broken any rule(s) of the Company, or whose conduct has brought sport into disrepute or who is judged to have been grossly negligent in the performance of his or her duties.
- 11.2 A Director shall not vote in respect of any contract in which he or she is interested or any matter arising out of it, and, if he or she does vote, the vote shall not be counted.

## **12 SEAL**

The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board and except in the presence of two Sports Commissioners both of whom shall sign the instrument.

- 13 13.1 The financial year of the Company shall run from 1 January each year.

- 13.2 Auditors shall be appointed and their duties regulated in accordance with the Statutes.

## **14 NOTICES**

- 14.1 A notice may be given by the Company either personally, by sending it through the post in a prepaid letter addressed to his or her registered place of abode or by advertising in the local press.

14.2 A notice, if served by post, shall be deemed to have been served on the second working day after posting and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed, prepaid and posted.

## **15 ALTERATION OF ARTICLES**

Subject to the provisions of the Statutes, the Company may not alter its Articles (including this Article) except by special resolution of its Members.

## **16 WINDING UP**

The Company shall be wound up voluntarily whenever:

16.1 a special resolution is passed that the Company be wound up; or

16.2 The Members shall have received written notification from the Trustees requiring that the Company be wound up

Clause 5 of the Memorandum shall have effect as if the provisions of that clause were repeated in these Articles.