

REGULATIONS APPLYING TO CLUB COMPANIES

1. **DIVIDENDS.** A larger dividend shall not be declared than the maximum dividend allowed from time to time by the Association and may be cumulative for a period not exceeding the three (3) consecutive years preceding the declaration of the dividend. Unless otherwise determined by the Association the maximum dividend payable in respect of any year shall be such an amount which together with the tax credit shall not exceed the proportion of ten pence (10p) to the paid up value of the ordinary share.
2. **PREFERENCE SHARES.** Preference shares may be issued with a cumulative preference dividend for a period not exceeding three (3) years at such an amount which together with the tax credit shall not exceed the proportion of seven and a half pence (7½p) to the paid up value of the preference share, provided always that the Company shall not issue a greater number of preference shares than the subscribed ordinary shares.
3. **SHARES.** A share shall not be sub-divided.
No Club Company shall make any bonus issue or pay any capital dividend without the written consent of the Association.
4. **DIRECTORS' REMUNERATION.** A Director (as defined by the Companies' Acts) shall not be entitled to receive any remuneration in respect of his office as a Director or employee of the Club, except that any Club in membership with the Football League may appoint any number of Directors in an executive capacity, one only of whom from time to time may receive remuneration to be paid directly or indirectly by the Club in consideration of such appointment, subject to the terms of the appointment and manner or remuneration being notified to and approved by The Football Association of Wales.
5. **DISQUALIFICATION OF DIRECTORS.** The office of a Director shall be vacated if he be suspended by the Association from taking part in football management.
6. **SHAREHOLDERS' SEASON TICKETS.** A shareholder may have issued to him a Season Ticket or Tickets subject to a deduction of 5 per cent from the amount charged to non-shareholders. Tickets so issued must not be sold and the privilege granted under this Clause shall be restricted to such holder, and in case of transference or death to such member of his family as shall become the registered holder of the Shares. The privilege cannot be sold or granted to any other transferee. Permanent Season Tickets or Season Tickets covering a period of a limited number of years shall not be issued.
7. **WINDING-UP OF THE COMPANY.** On the winding-up of the Company the surplus assets shall be applied, first in repaying to the Members the amount paid on their shares respectively, and if such assets shall be 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, and no Member shall be entitled to have any call made upon other Members for the purpose of

adjusting his rights; but where any call has been made and has been paid by some of the Members such call shall 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 to The Football Association of Wales Benevolent Fund, or to some other Club or institute in the (city or county) having objects similar to those contained in the Memorandum of Association, or to any local charity or charitable or benevolent institution situated within the said (city or county) such club, institution, or charity, to be decided upon and such property apportioned among all or any of such clubs, institutions or charities by the Members of the Club, at or before the time of dissolution as they shall direct, or 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, or 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 of Wales, if then existing, shall determine.

8. LIFE MEMBERS. The Company shall be permitted to create Life Members, but any privileges granted to such Life Members shall be subject to the provisions of Regulation 6 (Shareholders' Season Tickets) and must be renewed from year to year.
9. MEMORANDUM AND ARTICLES OF ASSOCIATION. In addition to the above it is a condition of membership of the Association that the proposed Memorandum and Articles of Association of any new Company and any proposed change or changes in the Memorandum or Articles of an existing Company shall be lodged at the offices of the Association at least fourteen (14) days before it is proposed they should become operative or submitted for approval to a General Meeting of Shareholders.

Every Director and official of a Club Company shall conduct its affairs as if its Articles of Association complied with this Rule.

If the Articles of Association of a Club Company do not comply with the terms of this Regulation such Club Company shall no longer be in membership of the Association or an affiliated Area Association until such time as the Club Company has complied with the provisions of this Regulation.