

Foundation of Hearts Limited

Election to the Board – 2019

Call for candidates

Two of our directors are due to retire from office by rotation at our annual general meeting on 17 December 2019. We are pleased to invite candidates to fill the two places on the board to come forward.

The two retiring directors are Stuart Wallace and Alastair Bruce. They are both offering themselves for re-election.

The role and responsibilities of a Foundation director

The board of directors is collectively responsible for running the Foundation's affairs on behalf of the members. The key task of the current board is to ensure that sufficient funds are raised to allow the Foundation to successfully implement the agreement with BIDCO and secure majority ownership of Hearts. Accomplishing this task requires a high level of engagement, and a significant and continuous time commitment, on the part of each director. When majority ownership passes to the Foundation (which is scheduled to take place next year), the Foundation will become a collective vehicle for supporter ownership and the board will assume broader responsibilities. These will include ensuring that the membership base is maintained and that the Foundation continues as an important source of funding for the Club.

A director is expected to:

- have a good understanding of business and commercial issues;
- act at all times in the best interests of the Foundation and its members (this is a legal duty imposed on all directors of companies); and
- uphold the reputation and good name of the Foundation by acting with integrity and treating everyone with whom they have dealings as a director with respect and politeness.

Directors are appointed for three-year terms, but are eligible to seek re-election.

Board meetings are held at least once a month (normally at lunchtime on a weekday).

No fees are paid to directors in their capacity as board members.

The 2019 board election process

1. nomination forms are sent to members so that those wishing to stand for election can do so. A nomination form (with guidance notes) is provided with this document;
2. neither of the seats to be filled is for a "specialist director", so every member of the Foundation aged 16 years or over on the date of the AGM has an opportunity to stand. However, no-one is allowed to stand if they:
 - are bankrupt or have a legally binding voluntary arrangement with creditors in place;
 - are prohibited from being a director by law;
 - have, within five years before the day of nomination, been convicted in the United Kingdom of any offence and have had passed on them a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine; or
 - are, or may, on the basis of medical evidence, be, suffering from mental disorder;

3. each candidate (other than a retiring director seeking re-election) must be nominated by 25 other Foundation members who are aged 16 years or more and who have been members throughout the period of six months ending on the day of nomination;

At the point of nomination, candidates are also asked to (i) provide biographical details, (ii) complete a personal questionnaire, and (iii) provide a short election address and a recent photograph;

4. completed nomination forms must be returned to the Foundation by close of business on 8 November 2019;
5. the board will verify all nominations. If we received an unexpectedly high number of nominations for a vacancy, it might be necessary to restrict the number of candidates in order to avoid an unmanageable election process. The election rules on page 3 explain how this would be done. We do not anticipate taking this step;
6. the board will publish a list of the properly nominated candidates for each vacancy and their election addresses;
7. the procedure thereafter will depend on the number of eligible candidates for the two vacant seats:
 - (a) if there are three or more eligible candidates for the two vacancies, the director will be chosen through a competitive election. A ballot of members will be conducted. Members will be able to vote electronically by means of an online voting facility or may return a hard copy ballot paper.

The period for voting will start on or before 28 November, and will end on or about 14 December. Each member will have two votes which can be cast for any two candidates (but cannot both be cast for the same candidate). Former members and members under the age of 16 years will not be entitled to vote.

At the end of the voting period, the votes will be counted. The successful candidates to fill the vacancies will be the two who poll the highest and second-highest number of votes. The result will be announced at the AGM;

- (b) if there are only two eligible candidates for the vacancies, no ballot will be held, and resolutions to elect the candidates will be proposed at the AGM. At the meeting, each member present in person or by proxy will have one vote on each resolution;
8. the appointment of the two new directors will take effect at the close of the AGM.

The rules set out in the Appendix to this document will apply to the election. Their aim is to ensure that, as far as possible, the process is conducted in an orderly and fair manner.

Further information

If you have any questions during the election period, please direct them to the Foundation by e-mailing info@foundationofhearts.org.

The formal notice of the AGM will be sent to members in due course. Members who are unable to attend the AGM in person will be entitled to appoint a proxy to attend, speak and vote on their behalf.

APPENDIX**Rules for the 2019 board election**

These Rules are made by the directors in accordance with the articles of association. If a candidate breaks the Rules, the directors will decide what action should be taken, and may resolve to remove the candidate from the ballot. Any decision of the directors to disqualify a candidate will be final.

1. Election addresses

- (a) Election addresses must be received in written form, typed or word-processed, and once the nominations have been verified, we will ask candidates to send us an electronic version in Word format. If an address is more than the permitted 500 words, it will be truncated at 500 words and text will be inserted below stating: “The candidate’s election address has exceeded the permitted 500 words and has therefore been truncated.”
- (b) An election address will not contain the name of any of the candidate’s nominators.
- (c) Candidates must not in their election addresses make threats or insults, make derogatory, abusive, racist, sexist or homophobic statements or references, or include content which is calculated to cause offence to any person or group of persons. The directors will remove from an election address before publication any text it considers to be in breach of this Rule, and any text so removed will be replaced by a statement explaining the removal.
- (d) An appropriate form of disclaimer will be included with all election addresses circulated to members, making clear that the views expressed in the address are those of the candidate and not of the Foundation or the directors.
- (e) In order to prevent negative campaigning, candidates should not make explicit or implicit references to other candidates in their election addresses.
- (f) Apart from election addresses and candidates’ photographs, no campaigning material will be circulated by the Foundation to all members.

2. Constraint on number of candidates

In the unlikely event of the number of members submitting completed nomination forms being so large that, in the reasonable opinion of the directors, it would not be practicable to conduct an orderly election without undue administrative costs being incurred by, or an excessive administrative burden being placed on, the Foundation, the directors may reduce the number of candidates to a manageable number prior to publication of the list of candidates. To ensure complete impartiality, the names to be removed from the ballot would be determined by drawing of lots under independent scrutiny, and any member included in the draw would be at liberty to observe the draw being made.

3. Campaigning

- (a) Candidates are encouraged to campaign actively. Campaigning must be conducted in a respectful manner.
- (b) Depending on the level of interest, the Foundation may provide opportunities for members to ask questions of candidates. This could be done through a set-piece debate, or by members submitting questions in writing or online and the answers being made available to members.

The directors will seek to encourage maximum participation by candidates in any such campaign events, but if some candidates are unable or unwilling to participate, such events can still take place.

- (c) The directors may also provide advice and guidance to candidates on the election rules.

4. Announcement of result

The result of the election as determined by the directors and announced at the annual general meeting will be final.

5. General

- (a) The board of directors will administer the election in a manner which is transparent and rigorous and brings integrity to the result. They will only express a view to members on a candidate if they consider (acting in good faith and using independent judgment) that it is in the best interests of the Foundation to do so. Directors who are seeking re-election will not be involved in the administration of the election.
- (b) References in these Rules to the directors include any committee of the board of directors.
- (c) Any member who, during the election period, wishes to inspect the register of members of the Foundation in connection with the election process may do so, during working hours, by prior arrangement with the Foundation.
- (d) During the election period, any complaints from members (whether candidates or not) about the conduct of the election should be addressed to the deputy chairman in writing. Anonymous complaints may not be investigated.
- (e) The directors may supplement, amend or revoke these Rules in such manner as they consider reasonably necessary or expedient in order to facilitate the orderly and fair conduct of the election.

Foundation of Hearts Limited (registered in Scotland No 38712), c/o Heart of Midlothian Football Club, Tynecastle Park, McLeod Street, Edinburgh EH11 2NL

e-mail address: info@foundationofhearts.org