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COMPANIES HOUSE

THE COMPANIES ACT 1985

Private Company Limited by Shares

NEW

ARTICLES OF ASSOCIATION

of

THE READING FOOTBALL CLUB LIMITED

I/WE CERTIFY THIS  
DOCUMENT IS A TRUE  
COPY OF THE ORIGINAL

*Walker Morris LLP*

**WALKER MORRIS LLP**

(Adopted by Special Resolution passed on 4 September 1998 and amended by Special Resolutions dated 8 February 2000, 19 December 2000, 24 May 2012 and 23 September 2014)

PRELIMINARY

1

- (A) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "**Table A**") shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company
- (B) Regulations 3, 23, 41, 54, 64 to 69 (inclusive), 79, 88, 89, 96 to 98 (inclusive) and 118 of Table A shall not apply to the Company

2

- (A) In these Articles where the context so admits

"Act" means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force,

"Articles" means the Articles of Association of the Company,

"clear days" in relation to the period of a notice means that 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,

"executed" means any mode of execution,

"holder" means in relation to any share the member whose name is entered in the register of members as the holder of the share,

"office" means the registered office of the Company,

"Relevant Shareholder" means a member holding not less than 25 per cent in nominal value of the shares in the capital of the Company from time to time and "Relevant Shareholders" shall be construed accordingly,

"seal" means the common seal of the Company,

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company including a joint assistant or deputy secretary,

"Shareholder Director" means a director of the Company appointed by a Relevant Shareholder in accordance with Article 28 and "Shareholder Directors" shall be construed accordingly, and

"United Kingdom" means Great Britain and Northern Ireland

- (B) References to the singular shall include the plural and references to the masculine include a reference to the feminine and neuter and vice versa
- (C) Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company
- (D) Where an ordinary resolution of the Company is expressed to be required for any purpose a special or extraordinary resolution shall also be effective and where an extraordinary resolution is expressed to be required for any purpose a special resolution shall also be effective
- (E) Headings are used for convenience only and shall not affect the construction of these Articles

#### **ALLOTMENT OF SHARES**

3

- (A) Shares which are comprised in the authorised share capital of the Company at the date on which these Articles were adopted shall be under the control of the Board of directors who may (subject to Section 80 of the Act and to paragraph (C) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit
- (B) All shares which are not comprised in the authorised share capital of the Company at the date on which these Articles were adopted and which the Board of directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of existing shares of the same class of shares held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them, such further offer shall be made in like terms in the same manner and limited by a like period as the original offer Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Board of directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members The foregoing provisions of this paragraph (B) shall have effect subject to Section 80 of the Act
- (C) The Board of directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital of the Company at the date on which these Articles were adopted at any time or times during the period of five years from such date and the Board of directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do

made by the Company within that period The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting

- 4 Subject to the provisions of the Act the Company may
- (a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the member,
  - (b) purchase its own shares (including any redeemable shares),
  - (c) make a payment in respect of the redemption or purchase, under Section 159 or (as the case may be) Section 162 of the Act and the relevant power (1) and (2) above, of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Section 171 of the Act

### **CALLS**

- 5 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment"

### **TRANSFER OF SHARES**

- 6 All transfers of shares shall be effected by instrument in writing in any usual or common form or in any other form acceptable to the directors
- 7 The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee
- 8 In Regulation 24 of Table A the words "not being a fully paid share" shall be omitted
- (A) Notwithstanding anything contained in these Articles, the directors shall not decline to register any transfer of shares, nor may they suspend registration thereof where such transfer
- 1 is to any person to whom shares have been charged by way of security, or to any nominee of such person (a "Secured Person"), or
  - 2 is delivered to the Company for registration by the Secured Person or its nominee in order to perfect its security over the shares, or
  - 3 is executed by a Secured Person or its nominee pursuant to the power of a sale or other power under such security, or
  - 4 is to any body corporate that is a member of the same group (as defined in section 1261(1) of the Act) of the transferor at or immediately prior to such transfer
- (B) Notwithstanding anything contained in these Articles or Table A, the Company shall have no lien whatsoever on any shares which have been charged by way of security to a Secured Person (as defined in Article 8 (A) 1 above)
- (C) Subject to Articles 8A, 12 and 13, the directors shall not register a transfer of shares without approval by resolution of members holding not less than 75 per cent in nominal value of shares in the Company and the member proposing to transfer such shares shall not be entitled to vote on any such resolution

- 9 The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of members in respect thereof
- 10 For the purpose of these Articles the renunciation or negotiation of any temporary document of title to any share shall constitute a transfer

#### **GENERAL MEETINGS AND RESOLUTIONS**

11

- (A) A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Regulation 38 of Table A shall be modified accordingly
- (B) Every notice convening a General Meeting shall comply with the provisions of Section 372 (3) of the Act as to giving information to members in regard to their right to appoint proxies Notices of and other communications relating to any General Meeting which any member is entitled to receive shall be sent to the directors of the Company and to any alternate directors It shall not be necessary to give any notice to the auditors for the time being of the Company save in respect of the Annual General Meeting Regulation 38 of Table A shall be varied accordingly

12

- (A) If the members holding not less than 75 per cent in nominal value of shares in the Company (together the Selling Shareholders) wish to transfer all their shares to a third party purchaser, the Selling Shareholders shall have the option (the Drag Along Option) to require all the other holders of shares to transfer all their shares with full title guarantee to the third party purchaser or as the third party purchaser shall direct in accordance with this Article 12 for the same price and on the same terms as the offer made by the third party purchaser to the Selling Shareholder
- (B) The Selling Shareholder(s) may exercise the Drag Along Option by giving notice to that effect (a Drag Along Notice) to all other members (the Called Shareholders) at any time before the registration of the transfer of the shares held by the Selling Shareholder(s) A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the Called Shares) pursuant to Article 12(A) to the third party purchaser, the price at which the Called Shares are to be transferred (determined in accordance with Article 12(F)), the proposed date of transfer (if known) and the identity of the third party purchaser
- (C) On receipt of the Drag Along Notice, the Called Shareholders shall have the right (between them in proportion to the number of shares held by them respectively on the date of the relevant Drag Along Notice) to purchase the shares proposed to be sold by the Selling Shareholders and any other member(s) willing to accept the third party purchasers' offer (together the Accepting Shareholders) for the same price and on the same terms as the offer made by the third party purchaser and in priority to the rights of the third party purchaser provided that they notify the Accepting Shareholders of exercise of that right by written notice (a Matching Notice) and provide the Company with evidence of funding within 10 business days of the Drag Along Notice and completing the purchase of the shares within 30 days of the giving of the Drag Along Notice
- (D) If the Called Shareholders fail to purchase the shares pursuant to Article 12(C) within 30 days then the Accepting Shareholders shall be entitled to sell the shares to the third party purchaser pursuant to the Drag Along Notice and the Called Shareholders shall no longer have the right to purchase the Accepting Shareholders' ordinary share(s) pursuant to Article 12(C)

- (E) A Drag Along Notice may be revoked at any time prior to completion of the sale of the Called Shares
- (F) The Called Shareholders shall be obliged to sell the Called Shares at the price specified in the Drag Along Notice (whether in cash, securities or otherwise)
- (G) Subject to Article 12(C), completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Selling Shareholder(s)' shares unless all of the Called Shareholders and the Selling Shareholder(s) agree otherwise
- (H) Each Called Shareholder shall on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Selling Shareholder(s) severally to be his agent to execute any stock transfer and covenant for full title guarantee in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this Article 12
- (I) Upon any person, following the issue of a Drag Along Notice, becoming a member pursuant to the exercise of a pre-existing option to acquire shares (a New Member), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon the New Member who shall thereupon be bound to sell and transfer all such shares acquired by him to the third party purchaser or as the third party purchaser may direct and the provisions of this Article 12 shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member or, if later, upon the date of completion under the previous Drag Along Notice

13

- (A) Subject to Article 12, no sale, transfer or other disposition of any share (the Specified Shares) shall have any effect if it would result in a Change of Control (defined in Article 13(D)) unless before the sale, transfer or other disposition takes effect, the third party purchaser has made a bona fide offer to purchase all the shares held by members who are not acting in concert or connected with the third party purchaser (the Uncommitted Shares) at the Specified Price (defined in Article 13(D)) and offering the same or equivalent consideration for each share (whether in cash, securities or any combination)
- (B) An offer made under Article 13(A) shall be in writing, be open for acceptance for at least 20 business days and shall be deemed to be rejected by any member who has not accepted the offer in accordance with its terms within 20 business days of the offer being made to the member and the consideration under such offer shall be settled in full on completion of the purchase and, in any event, within 30 business days of the date of the offer
- (C) Any rights of pre-emption shall not arise on any transfer of shares pursuant to this Article 13
- (D) For the purposes of Article 13(A),
  - 1 the expressions **transfer**, **transferor** and **transferee** include respectively the renunciation of a renounceable letter of allotment, and any renouncer and renounee of such letter of allotment,
  - 2 Change of Control means the acquisition whether by purchase, transfer, renunciation or otherwise by or to (as the case may be) any third party purchaser of any interest in any shares if, upon completion of that acquisition, the third party purchaser, together with persons acting in concert or connected with him, would hold 75 per cent or more in voting rights attached to the issued shares in the Company, and

- 3 the expression Specified Price means in the case of shares a price per share at least equal to the highest price paid or payable by the third party purchaser plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the Specified Shares

14

- (A) No business shall be transacted at any General Meeting unless a quorum is present Subject to Article 14 (B) below two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum
- (B) If and for so long as the Company has only one member, that member present in person or by proxy or if that member is a corporation by a duly authorised representative shall be a quorum
- (C) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefore such adjourned General Meeting shall be dissolved

#### **SOLE MEMBER**

15

- (A) If and for so long as the Company has only one member and that member takes any decision which is required to be taken in General Meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in General Meeting save that this Article shall not apply to resolutions passed pursuant to Sections 303 and 391 of the Act
- (B) Any decision taken by a sole member pursuant to Article 14(A) above shall be recorded in writing and delivered by that member to the Company for entry in the Company's Minute Book

16

#### **REPRESENTATIVES**

- 17 Any person who is a member and who is also acting as the representative or proxy of a member or members or a person who is not a member and who is acting as the representative or proxy of two or more members or a person who is not a director acting as an alternate director for two or more directors or who is a director and who acts as an alternate director may sign a written resolution of the members or the directors (as the case may be) in more than one capacity, and he shall not be obliged to act in the same manner or to vote for or against such resolution in respect of each capacity in which he acts, but such a person who attends a General Meeting of the Company shall be counted once for each capacity in which he acts for the purpose of determining whether the quorum for the transaction of the business of the General Meeting exists

#### **VOTES OF MEMBERS**

- 18 Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person by representative (if a corporation) or by proxy

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<sup>1</sup> Article 15 deleted by Order of the High Court made on 7 February 2000 on the re-registration of the Company as a Private Limited Company

shall have one vote in respect of every Share held by him and on a poll every member shall have one vote for each Share of which he is the holder PROVIDED THAT in the case of a corporation a director or secretary thereof shall be deemed to be a duly authorised representative of such member

- (A) No business shall be transacted at any shareholders' meeting unless a quorum is present Two persons entitled to vote upon the business to be transacted, each being a member or proxy for a member or a duly authorised representative of a corporation shall be a quorum
- 19 An instrument appointing a proxy in any common or usual form or in such other form as the Board of directors may approve may be used in connection with any General Meeting of the Company

### **DIRECTORS**

- 20 Unless and until otherwise determined by the Company in General Meeting the number of directors shall not be less than three

### **ALTERNATE DIRECTORS**

21

- (A) Each director shall have the power at any time to appoint as an alternate director either another director or any other person approved for that purpose by a resolution of the directors, and, at any time, to terminate such appointment Every appointment and removal of an alternate director shall be in writing signed by the appointor and (subject to any approval required) shall (unless the board of directors agrees otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company The appointment of an alternate director shall automatically determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor shall cease for any reason to be a director otherwise than by retiring and being re-appointed at the same meeting
- (B) An alternate director shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but otherwise be subject to the provisions of these Articles with respect to directors An alternate director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor
- (C) An alternate director shall be entitled to receive notices of all meetings of the Board of directors and of any committee of directors of which his appointor is a member and to attend and to vote as a director at any such meeting at which his appointor is not personally present (including the right to a casting vote in the event of his acting as alternate for the Chairman) and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a director of his appointor and to receive notice of all General Meetings A director or any other person may act as alternate director to represent more than one director and an alternate director shall be entitled at meetings of the Board of directors or at any committee of directors to the number of votes to which every director whom he represents would be entitled in addition to his own vote (if any) as a director but shall not count for more than one director for the purposes of a quorum at any directors' meeting
- (D) An alternate director shall not require a share qualification but shall nevertheless be entitled to attend and speak at any General Meeting of the Company if his appointor is not present

### **INTEREST OF DIRECTORS**

- 22 A director (including an alternate director) who has duly declared his interest therein may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purpose of deciding whether a quorum is present and may retain for his own absolute use and benefit all profits and advantages accruing to him Regulations 94 and 95 of Table A shall be modified accordingly

### **PROCEEDINGS OF DIRECTORS**

23

- (A) Subject to paragraph (C) of this Article the directors may meet together for the despatch of business as they think fit The quorum for a meeting of the directors shall (save in the case of a committee comprising one director only in which case the quorum shall be one) throughout the meeting be at least four directors (or their alternate directors) and such quorum shall at all times consist of at least three Shareholder Directors
- (B) A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors
- (C) At least seven days' previous notice in writing shall be given of every meeting of directors or of a committee of directors unless either all of the directors or all of the members consent in writing (which includes consent given by telex, facsimile or any other legible form) to the holding of a meeting on shorter notice, Such notice shall be given to all directors and also to all directors and also to all alternate directors and shall set forth the business to be discussed at such meeting and the meeting shall not be competent to deal with any business not referred to in such notice
- (D) If within half an hour from the time appointed for the meeting of directors or of a committee of directors a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the directors present or their alternates shall be a quorum

- 24 Save as herein otherwise provided questions arising at any meeting of the Board of directors or of a committee of directors shall be decided by a majority of votes provided that in the case of an equality of votes the Chairman shall not have a second or casting vote

25

- (A) If a majority of the Shareholder Directors vote at any meeting of the Board of directors in favour of any resolution put to that meeting or signs any written resolution of the Board of directors as approved, the resolution shall be deemed to have been carried notwithstanding that the number of votes cast against such resolution exceeds those cast in its favour and notwithstanding any other provisions of these Articles to the contrary
- (B) If a majority of the Shareholder Directors vote at any meeting of the Board of directors against any resolution put to that meeting or signs any written resolution of the Board of directors as approved, the resolution shall be deemed to have failed notwithstanding that the number of votes cast in favour of such resolution exceeds those cast in against it and notwithstanding any other provisions of these Articles to the contrary

- 26 A resolution in writing signed by all the directors or their respective alternates shall be as effective for all purposes as a resolution passed at a meeting of the Board of directors duly convened and held and may consist of several documents in like form each signed by one or



more of the directors and may be in the form of a telex, facsimile or any other legible form sent by any other similar method of transmission and unless the contrary shall be proved it shall be deemed to be duly and validly signed by the person purporting to sign the same and whose name appears in the text as the person signing the same

- 27 The Board of directors may delegate any of the powers vested in it to a committee or committees Any committee so formed shall, in the exercise or any powers delegated to it, conform to any regulations that may be imposed upon it by the Board of directors

28

- (A) Each Relevant Shareholder shall, for so long as they are a Relevant Shareholder, be entitled to appoint one person as a Shareholder Director and at any time require the removal or substitution of any such Shareholder Director appointed by it
- (B) In addition to the individual rights of the Relevant Shareholders in Article 28(A), a simple majority of the Relevant Shareholders shall appoint such number of additional directors as is required to ensure that there are five Shareholder Directors on the Board of directors of the Company at all times
- (C) The Board of directors shall approve and register the appointment and/or removal of any director made pursuant to this Article 28
- (D) Save as provided in Articles 28(A) and 28(B), no director shall be appointed or removed without the prior written consent of member holding not less than 75 per cent in nominal value of shares in the Company

- 29 It shall be necessary to give notice of a meeting of the Board of directors or of a committee of the directors to any director who is absent from the United Kingdom Regulation 88 of Table A shall be modified accordingly

- 30 All or any of the directors or any committee thereof may participate in a meeting of the directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and be heard by each other Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting is then present

31

- (A) Each Relevant Shareholder shall, for so long as they are a Relevant Shareholder, be entitled to appoint one person as a Shareholder Director and at any time require the removal or substitution of any such Shareholder Director so appointed by it
- (B) In addition to the individual rights of the Relevant Shareholders in Article 28(A), a simple majority of the Shareholder Directors shall appoint such number of additional directors as is required to ensure that there are five Shareholder Directors on the Board of directors of the Company at all times
- (C) The Board of directors shall approve and register the appointment and/or removal of any director made pursuant to this Article 30
- (D) Save as provided in Articles 30 (A) and 30 (B), no director shall be appointed or removed without the prior written consent of members holding not less than 75 per cent in nominal value of shares in the Company

## **DISQUALIFICATION OF DIRECTORS**

- 32 Regulation 81 of Table A as applicable to the Company shall be construed with the addition to paragraph (e) thereof of the words "unless he shall have appointed an alternate director who has not been similarly absent during such period"
- 33 Any person may be appointed or elected as a director whatever his age and no director shall be required to vacate his office by reason of his age or having obtained the age of seventy years or any other age

## **INDEMNITY**

34

- (A) Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties or his office or in relation thereto But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act
- (B) The directors shall have power to purchase and maintain for any director or other officer of the Company insurance against any such liability as is referred to in Section 310(1) of the Act pursuant to the provisions of Section 310(3) of the Act