

No: 53703

THE COMPANIES ACT 1985

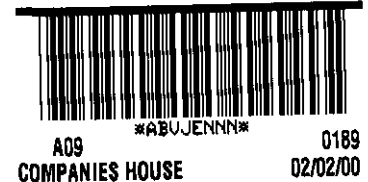
PUBLIC COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

THE READING FOOTBALL CLUB PLC

(Passed 10th January 2000)



AT an EXTRAORDINARY GENERAL MEETING of the members of the above-named Company duly convened and held at The Madejski Stadium , Junction 11 M4, Reading Berkshire RG2 0FL on the 10th day of January 2000 the following Resolution was duly passed as a Special Resolution of the Company

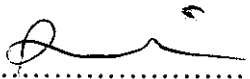
SPECIAL RESOLUTION

"THAT :

- (a) the Scheme of Arrangement dated 14th December 1999 ("the Scheme") proposed to be made between the Company and the holders of the Scheme Shares (as defined in the Scheme) a print of which has been produced to this Meeting and signed for the purpose of identification by the Chairman of the Meeting, be approved;
- (b) for the purpose of giving effect to the Scheme :-
 - (1) the capital of the Company be reduced by the cancellation of the Scheme Shares (as defined in the Scheme) and forthwith and contingently upon such reduction of capital taking effect, the capital of the Company be increased to its former amount by the creation of such number of new ordinary shares of 50 pence each as shall have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled as aforesaid ;
 - (2) the reserve arising upon the said reduction of capital be applied in paying up in full at par all of the ordinary shares of 50 pence each created pursuant to sub-paragraph (b)(1) of this resolution which shall

be allotted and issued, credited as fully paid up to The Reading Football Club (Holdings) Plc; and

- (c) the Directors be authorised for the purposes of Section 80 of the Companies Act 1985 to effect the allotment of the shares created pursuant to this resolution provided that :-
- (i) the maximum nominal amount of shares which may be allotted hereunder is £750,000 ;
 - (ii) this authority shall expire on 31st March 2000; and
 - (iii) this authority shall be without prejudice to any other authority under the said Section 80 previously granted and in force on the date on which this resolution is passed.”


.....
R.J.Madejski
Chairman

THIS IS THE PRINT OF THE SCHEME OF
ARRANGEMENT REFERRED TO IN THE
PRINT OF

IN THE HIGH COURT OF JUSTICE

No 7802 of 1999

SPECIAL
RESOLUTION
PASSED ON
10 JAN 2000

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER OF THE READING FOOTBALL CLUB PLC

and

IN THE MATTER OF THE COMPANIES ACT 1985

SCHEME OF ARRANGEMENT

(under Section 425 of the Companies Act 1985)

between

THE READING FOOTBALL CLUB PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

- (a) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings :-

"business day"	a day (other than a Saturday or Sunday) on which banks are generally open for business in London
"RFC"	The Reading Football Club Plc
"Effective Date"	the day on which the Scheme becomes effective in accordance with Clause 4 of this Scheme
"holder"	Includes any person entitled by transmission
"New RFC"	The Reading Football Club (Holdings) Plc
"New RFC Shares"	the ordinary shares of 50 pence each in the capital of New RFC to be allotted and issued credited as fully paid by New RFC pursuant to Clause 2(a)(i) of this Scheme
"Scheme Record Date"	the business day immediately preceding the Effective Date
"Scheme Shares"	the ordinary shares of 50 pence each in the capital of RFC :-

- (a) in issue at the close of business on the last business day prior to the date of the meeting of holders of such

ordinary shares convened pursuant to an Order of the High Court of Justice in England and Wales to approve this Scheme (or, if such meeting shall be adjourned to a later date, on the last business day prior to that late date) ; and

(b) if any, issued thereafter and before the close of business on the date two business days before the hearing of the Petition to sanction this Scheme in respect of which the original or any subsequent holder thereof is bound by this Scheme

“this Scheme”

this Scheme in its present form or with or subject to any modification, addition or condition approved or imposed by the Court

- (b) The authorised share capital of RFC is £750,000 divided into 1,500,000 ordinary shares of 50 pence each all of which have been issued and are fully paid.
- (c) New RFC was incorporated in England and Wales on 6th December 1999 under the Companies Act 1985. The present authorised share capital of New RFC is £5,000,000 divided into 10,000,000 ordinary shares of 50 pence each of which 2 have been issued and are credited as paid as to 25% and the remainder are unissued.
- (d) New RFC has agreed to appear by Counsel on the hearing of the Petition to sanction this Scheme and to undertake to the Court to be bound by it and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1. Cancellation of Scheme Shares

- (a) The share capital of RFC shall be reduced by the cancellation of the Scheme Shares.
- (b) Forthwith and contingently upon the said reduction of capital taking effect :-
 - (i) the share capital of RFC shall be increased to its former amount by the creation of such number of ordinary shares of 50 pence each as shall have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled as aforesaid ; and
 - (ii) RFC shall apply the reserve arising as a result of such reduction in paying up in full the shares created in paragraph (i) above and shall allot the same, credited as fully paid up, to New RFC.

2. Consideration for the cancellation of Scheme Shares

- (a) In consideration of the cancellation of the Scheme Shares New RFC shall allot and issue credited as fully paid to each person who at the close of business on the Scheme Record Date is the registered holder of any Scheme Shares One (1) New RFC Share in respect of each such share then held by such persons.
- (b) The New RFC Shares shall rank pari passu in all respects with the existing issued ordinary shares of 50 pence each in the capital of New RFC.
- (c) The provisions of this clause 2 shall be subject to any prohibition or condition imposed by law.

3. Certificates and payment

- (a) No later than 28 days from the Effective Date New RFC shall make all such allotments of and shall issue such New RFC Shares as are required to be issued by it to give effect to this Scheme and shall deliver documents of title for the New RFC Shares so issued to the persons respectively entitled to them.
- (b) All deliveries of notices, cheques and documents of title required to be made by this Scheme shall be effected by posting the same in pre-paid envelopes addressed to the persons respectively entitled to them at their respective addresses as appearing in the Register of Members of RFC at the close of business on the Scheme Record Date (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the said Register of Members in respect of the joint holding) or to such other addresses (if any) as such persons may respectively direct in writing.
- (c) Neither New RFC nor RFC shall be responsible for any loss or delay in the transmission of cheques or the documents of title posted in accordance with this clause
- (d) As from the Effective Date, each existing certificate representing a holding of Scheme Shares shall cease to be of value and every holder of such shares shall be bound on the request of RFC to deliver up to RFC the certificate(s) for such shares for cancellation.

4. Operation of this Scheme

- (a) This Scheme shall become effective as soon as an office copy of the Order of the Court sanctioning this Scheme under Section 425 of the Companies Act 1985 and confirming under Section 137 of the said Act the reduction of capital provided for by this Scheme shall have been duly delivered to the Registrar of Companies for registration and registered by him.
- (b) Unless this Scheme shall become effective on or before 31st March 2000 or such later date, if any, as the Court may allow, this Scheme shall never become effective.