

COMPANY NUMBER: 53703

THE COMPANIES ACT 1985-1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

-OF-

THE READING FOOTBALL CLUB PLC

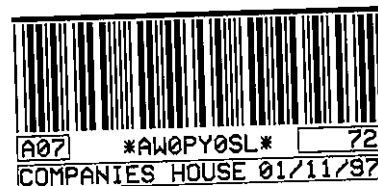
(Passed 10th December 1996)

At an Annual General Meeting of the above-named Company duly convened and held at Reading Football Club Norfolk Road Reading Berkshire on 10 December 1996 at 2:30pm the following resolution was passed, as a special resolution:-

RESOLUTION

That the Articles of Association of the Company be altered by deleting the existing Article 10 and replacing it with the following new Article:-

- "10 Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than two nor more than five."



.....
Secretary/Director

THE COMPANIES ACT 1948
COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION
of

THE READING FOOTBALL CLUB, PLC

(adopted by Special Resolution passed 26th July 1948)

(amended by Special Resolution passed 10th December 1996)

PRELIMINARY

1. Subject as hereinafter provided, the regulations contained in Part 1 of Table A in the First Schedule to the Companies Act 1948 (which regulations are hereinafter referred to as "Table A") shall apply to the Company.
2. Regulations 3, 5, 75, 77, 88, 135 and 136 of Table A shall not apply to the Company, but the Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

SHARES

3. In Regulation 24 of Table A the words "(not being a fully paid share)" shall be omitted.

4. The shares shall be at the disposal of the Directors, who may allot, grant options over, or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, subject always to the provisions of the said agreement as to the shares to be allotted in pursuance thereof, and provided that no shares shall be issued at a discount, except in accordance with the provisions of section 57 of the Act.
5. Subject to the provisions of section 58 of the Act, any preference shares may with the sanction of a Special Resolutions be issued upon the terms that they are, or at the option of the Company are liable to be, redeemed.
6. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period, and subject to the conditions and restrictions mentioned in section 65 of the Act, and may charge the same to capital as part of the cost of construction or provision of the work, building or plant.

PROCEEDINGS AT GENERAL MEETINGS

7. In regulation 53 of Table A the word "ten" shall be substituted for the word "three".
8. In regulation 58 of Table A in paragraph (b) the word "five" shall be substituted for the word "three and the words "or not carried by a particular majority" shall be inserted after the words "or lost".

VOTES OF MEMBERS

9. The words "by proxy" shall be inserted after the words "an opportunity of voting" in regulation 71 of Table A.

DIRECTORS

10. "Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than two nor more than five".

BORROWING POWERS

11. The proviso to regulation 79 of Table A shall be omitted.

DISQUALIFICATION OF DIRECTORS

12. The office of a Director shall be vacated:-
 - (1) If by notice in writing to the Company he resigns the office of Director;
 - (2) If he ceases to be a Director by virtue of section 182 of the Act;
 - (3) If he absents himself from the meetings of the Directors during a continuous period of six months without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office.
 - (4) If he becomes bankrupt, or makes any arrangement or composition with his creditors;
 - (5) If he is prohibited from being a Director by an order made under any of the provisions of section 188 of the Act;
 - (6) If he becomes of unsound mind.
13. Any person may be appointed or elected as a Director, whatever may be his age, and no Director shall be required to vacate his office by reason of his attaining or having attained the age of seventy year or any other age.

ROTATION OF DIRECTORS

14. The words "if willing to continue in office" shall be substituted for the words "if offering himself for re-election" in regulation 92 of Table A.
15. Without prejudice to the provisions of regulations 96 and 97 of Table A the Company may by Extraordinary Resolution remove any Director before the expiration of his period of office, and may by Ordinary Resolution appoint another Director in his stead. A person appointed in place of a Director so removed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

MANAGING DIRECTOR

16. In regulation 197 of Table A the words "shall not revoke such appointment without a special resolution of the company" shall be substituted for the words "may revoke such appointment".

DEBENTURE REGISTERS

17. The Company's registers of holders of debentures may be closed during each half-yearly day fixed for the payment of interest on the debentures and during the fourteen days immediately preceding each such half-yearly day.

CAPITALISATION OF PROFITS

18. All the words in regulation 129 of Table A after the words "providing for the allotment to them respectively, credited as fully paid up" shall be deleted, and the following words shall be substituted therefor: "of any further shares to which they may be entitled upon such capitalisation and any agreement made under such authority shall be effective and binding on all such members."

NOTICES

19. All the words in regulation 131 of Table A after the words "the letter containing the same is posted" shall be omitted therefrom.

WINDING UP

20. In a winding up the Liquidators may, with the sanction of an Extraordinary Resolution, distribute all or any of the assets in specie among the members in such proportions and manner as between different classes of shareholders or otherwise as may be determined by such resolution; Provided always that if any such distribution is proposed to be made otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a special Resolution passed pursuant to section 287 of the Act.

INDEMNITY

21. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in paragraph (B) of the proviso to section 205 of the Act) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, 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 of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by the said section.