

109244

IN THE HIGH COURT OF JUSTICE

No. 004376 of 2001

CHANCERY DIVISION

COMPANIES COURT

THE HONOURABLE MR. JUSTICE PUMFREY

WEDNESDAY THE 3RD DAY OF OCTOBER 2001



IN THE MATTER OF THE ARSENAL FOOTBALL CLUB PUBLIC LIMITED
COMPANY

-and-

IN THE MATTER OF THE COMPANIES ACT 1985

UPON THE PETITION of the above-named The Arsenal Football
Club Public Limited Company (hereinafter called "the Company")
whose registered office is situated at Arsenal Stadium, Avenell Road,
Highbury, London N5 1BU preferred unto this Court on 11th
September, 2001

AND UPON HEARING Counsel for the Company

AND UPON READING the said Petition and the evidence

AND Arsenal Holdings PLC by Counsel for the Company being its
Counsel for this purpose undertaking to be bound by the said Scheme of
Arrangement 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 the said
Scheme of Arrangement

THIS COURT HEREBY SANCTIONS the Scheme of Arrangement
as set forth in the First Schedule hereto



AND THIS COURT ORDERS THAT the reduction of capital of the Company from £62,217 to £3,270 resolved on and effected by a Special Resolution passed at an Extraordinary General Meeting of the Company held on 7th September, 2001 be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act

AND THE COURT APPROVES the Minute set forth in the Second Schedule hereto

AND IT IS ORDERED

- (1) that this order be produced by the Company to the Registrar of Companies and that it deliver an office copy to him together with a copy of the said Minute
- (2) that notice of the registration by the Registrar of Companies of this order (so far as it confirms the reduction of the capital of the Company) and of the said Minute be published by the Company once in the "Financial Times" newspaper within 21 days after such registration

AND THIS COURT DIRECTS pursuant to section 139(2) of the said Act that the Registrar of Companies do register the said order confirming the said reduction of capital of the Company under section 138(1) of the said Act notwithstanding that the said order has the effect of bringing the nominal value of the allotted share capital of the Company below the authorised minimum.

THE FIRST SCHEDULE

Scheme of Arrangement annexed hereto

PART V

SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 004376 of 2001

IN THE MATTER OF THE ARSENAL FOOTBALL CLUB PUBLIC LIMITED COMPANY
AND
IN THE MATTER OF THE COMPANIES ACT 1985

**SCHEME OF ARRANGEMENT
(UNDER SECTION 425 OF THE COMPANIES ACT 1985)
BETWEEN
THE ARSENAL FOOTBALL CLUB PUBLIC LIMITED COMPANY
AND
THE SCHEME SHAREHOLDERS
(as hereinafter defined)**

Preliminary

(A) In this scheme of arrangement, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

Arsenal means The Arsenal Football Club Public Limited Company;

Arsenal Holdings means Arsenal Holdings PLC;

Arsenal Shares means ordinary shares of £1 each in the capital of Arsenal;

business day means any day other than a Saturday or Sunday on which banks are generally open for business in England and Wales;

Court means the High Court of Justice of England and Wales;

Court Meeting means the meeting of holders of Arsenal Shares convened by order of the Court pursuant to section 425 of the Companies Act 1985 for 7 September 2001 (including any adjournment thereof) to consider and, if thought fit, approve this Scheme;

CREST means a relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the operator (as defined in the CREST Regulations);

CRESTCo means CRESTCo Limited;

CREST Regulations means the Uncertificated Securities Regulations 1995 (SI 1995 No. 3272) as from time to time amended;

Effective Date means the date on which this Scheme becomes effective in accordance with Clause 6 of this Scheme;

holder includes any person entitled by transmission;

New Shares means ordinary shares of £1 each in the capital of Arsenal Holdings;

Scheme Record Date means the business day immediately preceding the Effective Date;

Scheme Shareholder means a holder of Scheme Shares as appearing in the register of members of Arsenal as at 5.30 p.m. on the Scheme Record Date;

Scheme Shares means:

- (a) all Arsenal Shares in issue at the date of this Scheme;
- (b) all (if any) additional Arsenal Shares in issue prior to the Court Meeting; and
- (c) all (if any) further Arsenal Shares which may be in issue immediately prior to the confirmation by the Court of the reduction of capital provided for under the Scheme in respect of which the original or any subsequent holders shall be bound or shall have agreed in writing by such time to be bound by the Scheme;

this Scheme means this scheme of arrangement in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court; and

uncertificated or in uncertificated form means recorded on the relevant register as in uncertificated form, being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST.

- (B) The authorised share capital of Arsenal as at the date of this Scheme is £62,217 divided into 62,217 Arsenal Shares, of which 58,947 have been issued and are fully paid up at such date (and the remainder are unissued).
- (C) Arsenal Holdings was incorporated as a public limited company on 11 July 2001 under the name Arsenal Holdings PLC. The authorised share capital of Arsenal Holdings at the date of this Scheme is £112,217 divided into 62,217 New Shares and 49,998 redeemable preference shares of £1 each, none of which have been issued, and 2 subscriber ordinary shares both of which have been issued and fully paid up.
- (D) The purpose of this Scheme is to provide for the cancellation of the Scheme Shares and the issue of new ordinary shares in Arsenal with a nominal value equal to the shares so cancelled to Arsenal Holdings in consideration of the allotment by Arsenal Holdings of New Shares to the Scheme Shareholders.
- (E) Arsenal Holdings has agreed to appear by Counsel on the hearing of the petition to sanction this Scheme, to consent thereto and to undertake to be bound thereby and to execute or procure to be executed all such documents, and to do or procure to be done all such 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

Cancellation of Scheme Shares

1. (A) The issued share capital of Arsenal shall be reduced by cancelling and extinguishing the Scheme Shares.
- (B) Forthwith and contingently upon the reduction of capital referred to in sub-clause (A) of this Clause 1 taking effect:
 - (i) the share capital of Arsenal shall be increased to its former amount by the creation of such number of new ordinary shares in Arsenal as shall be of an aggregate nominal amount equal to the aggregate nominal amount of the shares cancelled pursuant to sub-clause (A) of this Clause 1; and
 - (ii) Arsenal shall apply the credit arising in its books of account on such reduction of capital in paying up, in full at par, the new ordinary shares in Arsenal of £1 each created pursuant to sub-clause (B)(i) of this Clause 1 and shall allot and issue the same, credited as fully paid, to Arsenal Holdings and/or its nominee(s).

New Shares

2. (A) In consideration of the cancellation of the Scheme Shares and the issue of the new ordinary shares in Arsenal of £1 each to Arsenal Holdings and/or its nominee(s) pursuant to Clause 1 of this Scheme, Arsenal Holdings shall (subject to the provisions of sub-clause (C) of this Clause 2) allot and issue (credited as fully paid) New Shares to the Scheme Shareholders on the following basis:

For each Scheme Share

One New Share

and so in proportion for any other number of Scheme Shares held as at 5.30 p.m. on the Scheme Record Date.

- (B) The New Shares to be issued pursuant to sub-clause (A) of this Clause 2 shall rank in full for all dividends or distributions made, paid or declared after the Effective Date on the ordinary share capital of Arsenal Holdings.
- (C) The provisions of sub-clause (A) of this Clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if in respect of any Scheme Shareholder who is a citizen, resident or national of any jurisdiction outside the United Kingdom (*overseas shareholder*), Arsenal Holdings is advised that the allotment and issue of New Shares pursuant to this Clause 2 would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require Arsenal Holdings to observe any governmental or other consent or any registration, filing or other formality with which, in the opinion of Arsenal Holdings, it would be unable to comply or which it regards as unduly onerous, then Arsenal Holdings may in its sole discretion either:
- (i) determine that no New Shares shall be allotted and issued to such overseas shareholder under this Clause 2, but shall instead be allotted and issued to a nominee appointed by Arsenal Holdings, as a trustee for such overseas shareholder, on terms that they shall, as soon as reasonably practicable following the Effective Date, be sold on behalf of such overseas shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commission, including any amount in respect of value added tax payable thereon) be paid to such overseas shareholder by sending a cheque or warrant to such overseas shareholder in accordance with the provisions of Clause 3 below. None of Arsenal, Arsenal Holdings, any nominee referred to in this sub-clause (C)(i) or any broker or agent of any of them shall have any liability (save in the case of bad faith or wilful default) for any loss arising as a result of the timing or terms of any such sale; or
 - (ii) determine that such New Shares shall be sold, in which event the New Shares shall be issued to such overseas shareholder and Arsenal Holdings shall appoint a person to act pursuant to this sub-clause (C)(ii) and such person shall be authorised on behalf of such overseas shareholder to procure that any shares in respect of which Arsenal Holdings has made such a determination shall, as soon as reasonably practicable following the Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commission, including any amount in respect of value added tax payable thereon) shall be paid to such overseas shareholder by sending a cheque or warrant to such overseas shareholder in accordance with the provisions of Clause 3 below. To give effect to any such sale, the person so appointed shall be authorised on behalf of such overseas shareholder to execute and deliver a form of transfer and to give such instructions and to do all such things which he may consider necessary or expedient in connection with such sale. None of Arsenal, Arsenal Holdings, the person so appointed to act pursuant to this sub-clause (C)(ii) or any broker or agent of any of them shall have any liability (save in the case of bad faith or wilful default) for any loss arising as a result of the timing or terms of any such sale.

Certificates and payment

3. (A) Not later than five (5) business days after the Effective Date, Arsenal Holdings shall allot and issue all the New Shares which it is required to allot and issue pursuant to Clause 2 of this Scheme to give effect to this Scheme. Not later than fifteen (15) business days after the Effective Date, Arsenal Holdings shall send by post to the allottees of the New Shares allotted and issued

pursuant to Clause 2 of this Scheme certificates in respect of such shares, save that where a holder of Scheme Shares elects (whether before or after the Effective Date but subject, where relevant, to the articles of association of Arsenal Holdings) to hold his or her New Shares in uncertificated form, Arsenal Holdings will procure that CRESTCo is instructed to credit to the appropriate stock account in CREST of the Scheme Shareholder concerned such shareholder's entitlement to New Shares.

- (B) Not later than five (5) business days following the sale of any relevant New Shares pursuant to sub-clause (C) of Clause 2 of this Scheme, Arsenal Holdings shall procure that the nominee or person appointed to act under sub-clause (C) of Clause 2 of this Scheme shall account for the cash payable by despatching to the persons respectively entitled thereto cheques and/or warrants by post in accordance with sub-clause (C) of this Clause 3.
- (C) All certificates required to be sent by Arsenal Holdings pursuant to sub-clause (A) of this Clause 3 and all cheques or warrants required to be sent by Arsenal Holdings and/or any person referred to in sub-clause (C) of Clause 2 of this Scheme shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Arsenal at 5.30 p.m. 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 register in respect of such joint holding) or in accordance with any special instructions regarding communications received at the registered office of Arsenal prior to 5.30 p.m. on the Scheme Record Date.
- (D) None of Arsenal, Arsenal Holdings, any nominee and any person appointed to act as is referred to in sub-clause (C) of Clause 2 of this Scheme or any agent of any of them shall be responsible for any loss or delay in transmission of certificates, cheques or warrants sent in accordance with this Clause 3.
- (E) The preceding sub-clauses of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.

Certificates representing Scheme Shares

- 4. With effect from and including the Effective Date, all certificates representing holdings of Scheme Shares shall cease to be valid in respect of such holdings and the holders of such shares shall be bound at the request of Arsenal to deliver such certificates for cancellation to Arsenal or to any person appointed by Arsenal to receive the same.

Mandates

- 5. Each mandate in force at 5.30 p.m. on the Scheme Record Date relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications shall, unless and until varied or revoked, be deemed as from the Effective Date to be a valid and effective mandate or instruction to Arsenal Holdings in relation to the corresponding New Shares to be allotted and issued pursuant to this Scheme.

Effective Date

- 6. 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 the reduction of capital proposed under this Scheme shall have been duly delivered to the Registrar of Companies for registration and registered by him.
- 7. Unless this Scheme shall have become effective on or before 31 December 2001 or such later date, if any, as Arsenal and Arsenal Holdings may agree and the Court may allow, it shall lapse.

Modification

- 8. Arsenal and Arsenal Holdings may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

Dated the 13th day of August 2001

THE SECOND SCHEDULE

“The capital of The Arsenal Football Club Public Limited Company was by virtue of a Special Resolution and with the sanction of an Order of the High Court of Justice dated the 3rd October, 2001 reduced from £62,217 divided into 62,217 Ordinary Shares of £1 each to £3,270 divided into 3,270 Ordinary Shares of £1 each

By virtue of a Scheme of Arrangement sanctioned by the said Order and of the said Special Resolution the capital of the Company on the registration of this Minute is £62,217 divided into 62,217 Ordinary Shares of £1 none of which has been issued.

No. 004376 of 2001

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

THE HONOURABLE MR. JUSTICE
PUMFREY

WEDNESDAY THE 3RD OCTOBER,
2001

IN THE MATTER OF THE ARSENAL
FOOTBALL CLUB PUBLIC LIMITED
COMPANY

-and-

IN THE MATTER OF THE
COMPANIES ACT 1985



O R D E R

sanctioning Scheme of
Arrangement and confirming
Reduction of Capital

Slaughter and May,
35, Basinghall Street,
London, EC2V 5DB.

Tel: 020 7600 1200
Ref: MNM