Subject: Rangers - strictly private & confidential
Date: Thu, 26 Jul 2012 21:01:21 +0100
From: Neil Doncaster *********@scotprem.com
To: Eric Riley (Celtic) *******@Celticfc.co.uk; Steve Thompson (Dundee Utd), Duncan Fraser (Aberdeen) ******@afc.co.uk ; Ralph Topping (Chair) , Michael Johnston (Kilmarnock) **********@kilmarnockfc.co.uk Peter Lawwell (Celtic) **********@celticfc.co.uk
CC: Rod Mckenzie *****@harpermacleod.co.uk ; TomThomas **********@harpermacleod.co.uk (SPL Lawyers) Iain Blair ********@scotprem.com ; Michele Shields *******@scotprem.com (SPL) (e mail addresses part asterisked)

Gentlemen,

Attached are a five-way agreement and a separate letter of undertaking in respect of Rangers. Work is continuing on the rights agreement with the SFL.

Subject to SPL Board and sub-committee approval, it is intended that these documents be signed tomorrow, with a view to Rangers FC being able to play in Sunday's SFL Challenge Cup game at Brechin.

The overall effect of the attached is that we will 'exchange' signed documents tomorrow, but 'Completion' will take place at an SPL General Meeting next Friday 3 August (this meeting has already been notified to clubs) to approve a transfer of Rangers' share to Dundee. This will create a window of six days within which we can charge Rangers in respect of the EBTs. Subject to SPL Board consent, it would be our intention to serve Rangers Oldco and Rangers FC with an EBT charges complaint in the form already circulated on Wednesday or Thursday next week.

You will recall that 'oldco Rangers' is the current holder of the SPL share. Sevco is the new company that will be re-named as Rangers upon transfer of the membership.

The key points in the attached documents, from an SPL point of view, are:

- Sevco becomes liable for all football creditors (including the SPL itself, Hearts, Dundee United and Aberdeen)
- Oldco waives all fees due to it from the SPL, which will be distributed as fees to SPL

clubs this season as additional fee payments

- The SPL waives claims against Sevco – it is oldco Rangers and Rangers FC that we will pursue in respect of the EBTs and it is this process that we will commence with a charge to be issued next week

Additionally (but not specifically relevant to the SPL):

- Sevco accepts a year's transfer embargo from 1 September 2012

- Sevco will pay fines totalling £196,063 to the SFA

We would also intend to announce tomorrow that "the SPL is reserving its position in respect of alleged breaches of SPL rules in respect of EBTs. We expect to be in a position to make a further announcement on this issue within the next week" or something similar. I will circulate a draft before it is finalised.

The above is not a totally perfect solution from the SPL's perspective, since oldco Rangers may potentially raise issues regarding the power of the SPL to pursue oldco for breach of the SPL Rules after oldco ceases to be a shareholder in the SPL (and Rangers FC cease to be a member of the SPL) in relation to pre-cessation events. This would be an issue for our Commission to take a view on, should the point be raised. Any such challenge to the jurisdiction of the SPL would be strenuously resisted on the basis that both oldco and Rangers FC were subject to the jurisdiction of the SPL when the EBT events occurred and that the SPL as the competition owner and organiser is the only party with jurisdiction to prosecute alleged breaches of its own Rules.

However, we are advised that such risk as is present is substantially mitigated by the SPL charging oldco and Rangers FC prior to the transfer of the share (on 3 August) whilst <u>both</u> are still members of the SPL.

The attached documents offer a number of other key advantages to the SPL – particularly a timely start to both the SFL and SPL seasons 2012/13, the payment of the Scottish Football debt and the securing of the SPL position regarding the non-payment of further sums to Rangers (which is worth over £1m to SPL clubs in season 2012/13 when finances are most under pressure). If the five-way agreement is not signed there is a real possibility that a separate accommodation will be made with the SFA and SFL which will not include

the SPL and that the SPL will not get the benefits set out above which would be accorded by the five-way agreement Our recommendation is therefore that the attached documents are approved for signature.

Rod Mckenzie and I are available for any clarification that any Director or member of the sub-committee would like in respect of the above or the attached.

Please confirm by 10am on Friday 27th July that you agree, or otherwise, with the SPL signing the attached documents. I will assume that you are in agreement unless I hear otherwise by that time.

Kind regards,
Neil

Neil Doncaster | Chief Executive
The Scottish Premier League Limited