In accordance with Sections 859A and 859J of the Companies Act 2006

MR01

Particulars of a charge

150566/13

IRIS Laserform

A fee is payable with this form. Please see 'How to pay' on the last page

You can use the WebFiling service to file this form online Please go to www compan

✓ **What this form is for** You may use this form to register a charge created or evidenced by an instrument

✗ **What this form is NOT fo** You may not use this form register a charge where th instrument Use form MR0

TUESDAY

A39S77PK

A13 10/06/2014 #274

COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery

☑ You **must** enclose a certified copy of the instrument with this form This will be scanned and placed on the public record

For official use

1 Company details

Company number: 0 3 8 8 9 0 4 9

Company name in full: THE READING FOOTBALL CLUB (HOLDINGS) PLC

(the "Company")

→ **Filling in this form** Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date: d3 d0 m0 m5 y2 y0 y1 y4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge

Name: Vibrac Corporation

Name:

Name:

Name:

If there are more than four names, please supply any four of these names then tick the statement below

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge

MR01
Particulars of a charge

4 Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page
Please use a continuation page if you need to enter more details

Description

None.

5 Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

[X] **Yes**

☐ **No**

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ **Yes** Continue

[X] **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ **Yes**

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

[X] **Yes**

☐ **No**

8 Trustee statement ❶

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

❶ This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X Berwin Leighton Paisner LLP X

This form must be signed by a person with an interest in the charge

MR01
Particulars of a charge

Presenter information

We will send the certificate to the address entered below All details given here will be available on the public record You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address

Contact name Charlotte Thorp 30907 21

Company name Berwin Leighton Paisner LLP

Address Adelaide House

London Bridge

Post town London

County/Region

Postcode E C 4 R 9 H A

Country

DX 92 LONDON/CHANCERY LN

Telephone +44 (0)20 3400 1000

Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy

Important information

Please note that all information on this form will appear on the public record.

How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'

Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3889049

Charge code: 0388 9049 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th May 2014 and created by THE READING FOOTBALL CLUB (HOLDINGS) PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th June 2014.

Given at Companies House, Cardiff on 13th June 2014

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

Execution Document

DATED 30th May 2014

THE READING FOOTBALL CLUB (HOLDINGS) PLC
as Chargor

VIBRAC CORPORATION
as Chargee

CHARGE OVER SHARES
of The Reading Football Club Limited

WE HEREBY CERTIFY THAT, SAVE FOR MATERIAL REDACTED PURSUANT TO S859 (G) COMPANIES ACT 2006, THIS COPY INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT

Berwin Leighton Paisner 9/6/14

BERWIN LEIGHTON PAISNER LLP
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LONDON BRIDGE
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DATED 30th May 2014

PARTIES

(1) **THE READING FOOTBALL CLUB (HOLDINGS) PLC**, a company incorporated under the laws of England and Wales, with company number 03889049 whose registered office is at Madejski Stadium, Junction 11 M4, Reading RG2 0FL (the "**Chargor**")

(2) **VIBRAC CORPORATION,** a company incorporated under the laws of the British Virgin Islands whose registered office is at [redacted] (the "**Chargee**")

BACKGROUND

(A) The Chargor is the registered and beneficial owner of 735,000 ordinary Shares in The Reading Football Club Limited, a company incorporated in England with registered number 00053703 (the "**Company**") representing 49% of the issued and paid up share capital of the Company;

(B) By a facility letter dated 16 August 2013 (the "**Original Facility Letter**") and made between (1) Company and (2) the Chargee, the Chargee (as lender) has made available to the Chargor (as borrower) a loan facility

(C) By a supplemental facility letter dated on or about the date hereof (the "**Supplemental Facility Letter**") and made between (1) Company and (2) the Chargee, the Chargee (as lender) has made available to the Chargor (as borrower) a further loan facility.

(D) The Supplemental Facility Letter provides (*inter alia*) that, as a condition precedent to the advance of the Loan (as defined in the Supplemental Facility Letter), the Chargor should execute in favour of the Chargee a charge in respect of the Shares in the form of this Deed.

OPERATIVE PROVISIONS

1 **DEFINITIONS AND INTERPRETATION**

1 1 In this Deed

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London

"**Charged Assets**" means those assets which are from time to time the subject of Clause 3.2

"**Chargee Security**" means the Security created by this Deed and any other existing or future Security granted by the Chargor in respect of the Charged Assets to the Chargee to secure the payment and discharge of the Secured Obligations.

"**Debenture**" means the debenture dated 16 August 2013 between Company and Chargee (as lender)

"**Default**" shall have the meaning ascribed to it in each of the Facility Letters and each other facility letter entered into by the Chargee and the Company from time to time.

"**Default Rate**" means the rate specified in clause 5.1 of the Supplemental Facility Letter

"**Disposal**" means any transfer or other disposal of an asset or of an interest in an asset, or the creation of any Right over an asset in favour of another person, but not the creation of Security

"**Dividends**" means in relation to any Share·

(a) dividends and distributions of any kind and any other sum received or receivable in respect of that Share;

(b) shares or other Rights accruing or offered by way of redemption, bonus, option or otherwise in respect of that Share,

(c) allotments, offers and rights accruing or offered in respect of that Share; and

(d) any other Rights attaching to, deriving from or exercisable by virtue of the ownership of, that Share.

"**Enforcement Event**" means the occurrence of a Default (other than a Known Facility Event of Default (as such term is defined in the Supplemental Facility Letter)).

"**Facility Letter**" means either the Original Facility Letter or the Supplemental Facility Letter (as the context so requires) and Facility Letters means both of them

"**Finance Documents**" means this Deed, the Facility Letters, the Debenture, the Assignment (as such term is defined in the Supplemental Facility Letter) and any other document entered into between the Chargee and the Company, in each case as amended, novated, supplemented, extended, restated or replaced from time to time.

"**Financial Collateral**" has the meaning given to it by the Financial Collateral Arrangements (No2) Regulations 2003

"**Insolvency Legislation**" means:

(a) the Insolvency Act 1986 and secondary legislation made under it, and

(b) any other primary or secondary legislation in England from time to time relating to insolvency or reorganisation

"**Material Adverse Effect**" means a material adverse effect on (a) the ability of the Chargor to comply with any of its obligations under any Finance Document or (b) the business, financial condition, assets or prospects of the Chargor.

"**Officer**" means in relation to a person, any officer, employee or agent of that person

"**Permitted Encumbrance**" means any Security created or expressly permitted by the terms of the Finance Documents

"**Receiver**" means and includes any receiver and/or manager appointed under or pursuant to this Deed.

"**Right**" means any right, privilege, power or immunity, or any interest or remedy, of any kind, whether it is personal or proprietary.

"**Secured Party**" means the Chargee and any Receiver.

"**Secured Obligations**" means all obligations at any time due, owing or incurred by any person to any Secured Party under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or surety or in some other capacity).

"**Security**" means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

"**Security Period**" means the period starting on the date of this Deed and ending on the date when the Chargee is satisfied that:

(a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full,

(b) the Chargor has no liability, actual or contingent, to any Secured Party under any Finance Document,

(c) no Secured Party has any liability, actual or contingent under any Finance Document, and

(d) no Secured Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any Finance Document.

"**Shares**" means:

(a) the shares listed in Schedule 1 (*Shares*);

(b) any other shares in the Company which are from time to time beneficially owned by the Chargor, and

(c) any other stock, share, debenture, charge or other security held by the Chargor from time to time in the Company,

together with all stock, shares, warrants, securities, rights, moneys or property (including the Dividends, interest or income thereon or therefrom) accruing or acquired at any time and from time to time, in each case, after the date of this Deed by way of redemption, purchase, preferences, option or otherwise to or in respect of or derived from all or any of the above referenced Shares or any derivatives thereof, including the proceeds of any sale of any of such Shares after the date of this Deed

"**51% Stock Transfer Forms**" means the stock transfer forms in respect of 765,000 (seven hundred and sixty five thousand) ordinary shares held in the Company, executed, prior to the date of this Deed, by Thames Sports Investments Ltd

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999

1 2 The table of contents, the summary and the headings are inserted for convenience only and do not affect the interpretation of this Deed

1 3 References to clauses and schedules are to clauses of, and schedules to, this Deed.

1 4 References to the Facility Letters, any Finance Document or any other document are to that document as from time to time amended, restated, varied, novated or replaced, however fundamentally.

1 5 References to a person include an individual, firm, company, corporation, unincorporated body of persons and any government entity.

1 6 References to a person include its successors in title, permitted assignees and permitted transferees

1 7 Words importing the plural include the singular and *vice versa.*

1.8 References to any enactment include that enactment as amended or re-enacted; and, if an enactment is amended, any provision of this Deed which refers to that enactment will be amended in such manner as the Chargee, after consultation with the Chargor, determines to be necessary in order to preserve the intended effect of this Deed

1 9 Where this Deed imposes an obligation on the Chargor to do something if required or requested by the Chargee, it will do so as soon as practicable after it becomes aware of the requirement or request.

1.10 This Deed may be executed in counterparts

1.11 Each Receiver and each Officer of the Chargee or a Receiver are not parties to this Deed. However, the rights conferred on them under this Deed are enforceable by each of them under the Third Parties Act.

1.12 No other term of this Deed is enforceable under the Third Parties Act by anyone who is not a party to this Deed.

1 13 The parties to this Deed may terminate this Deed or vary any of its terms without the consent of any third party

1.14 This Deed shall be read together with each Facility Letter but, in the case of any conflict between the instruments, the provisions of each Facility Letter shall prevail.

2 COVENANT TO PAY

The subject at all times to 21 7, the Chargor covenants with the Chargee that it shall on demand pay and discharge the Secured Obligations when due (provided that neither this covenant nor the Security constituted by this Deed shall extend to or include any liability or sum which would, but for this provision, cause this covenant or Security to be unlawful or prohibited by any applicable law)

3 CHARGE

3.1 In consideration of the Chargee agreeing to make the Loan (as defined in the Supplemental Facility Letter) available to the Company, the Chargor with full title guarantee hereby charges and agrees to charge to the Chargee as security for the payment of the Secured Obligations by way of a first fixed charge all of its Rights in and to all of the Charged Assets.

3.2 The Chargor charges, by way of first fixed charge, all of the Rights which it now has and all of the Rights which it obtains at any time in the future in:

(a) the Shares;

(b) any Rights accruing to, derived from or otherwise connected with the Shares (including Dividends and proceeds of Disposal of any Share); and

(c) any warrants, options and other Rights to subscribe for or otherwise acquire Shares.

4 REPRESENTATIONS AND WARRANTIES

The Chargor hereby represents and warrants to the Chargee that, on the date of this Deed:

4 1 Title to Shares

The Chargor is the registered holder of the Shares listed in Schedule 1 (*Shares*) and is the sole legal and beneficial owner of and has full right and title to, and has hereby charged, the Shares and such Shares are free from any Security of any kind (other than Permitted Encumbrances) and are not, nor shall they be, subject to any option.

4 2 Security

The Chargor directly owns and controls forty nine per cent. (49%) of the issued share capital of the Company and this, together with the shares in respect of which the 51% Stock Transfer Forms have been executed represent 100% of the issued share capital in the Company.

4 3 Ranking

The Security granted or purported to be granted under this Deed has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security (other than Permitted Encumbrances).

4.4 Shares fully paid

The Shares listed in Schedule 1 (*Shares*) are fully paid or credited as fully paid and no calls have been, or can be, made in respect of such Shares

4.5 Due incorporation

The Chargor is a company duly incorporated and validly existing under the laws of England, and has power to carry on its business as it is now being conducted and to own its property and other assets,

4 6 **Corporate power**

The Chargor has power to execute, deliver and perform its obligations under this Deed and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same

4 7 **Binding obligations**

This Deed constitutes valid and legally binding obligations of the Chargor enforceable in accordance with its terms.

4 8 **No conflict with other obligations**

The entry into and performance by the Chargor of, and the transaction contemplated by, this Deed do not and will not conflict with.

(a) any law applicable to it; or

(b) its constitutional documents.

4.9 **No litigation**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against the Chargor

4 10 **Choice of law**

The choice by the Chargor of English law to govern this Deed and the submission by the Chargor to the non-exclusive jurisdiction of the courts of England are valid and binding.

4.11 **Consents obtained**

(a) All authorisations and approvals required to enable the Chargor lawfully to enter into, exercise its rights and comply with its obligations in this Deed have been obtained or effected and are in full force and effect

(b) The constitutional documents of the Company do not and could not restrict or inhibit (whether absolutely, partly, under a discretionary power or otherwise) the transfer of the Shares in relation to the enforcement of the Security created under this Deed

4 12 **Obligations of the Chargor**

The obligations of the Chargor under this Deed are direct, general and unconditional obligations of the Chargor

4 13 **No other security or lien**

The Chargor has not taken or received any security or lien from the Company in respect of any liability hereunder or in respect of any other liability of the Company to the Chargor, other than Permitted Encumbrances.

4 14 **No immunity**

Neither the Chargor's nor any of its assets is entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit, attachment prior to judgment, execution or other enforcement)

4.15 **Stock transfer forms**

So far as the Chargor is aware (having made due enquiry), other than the 51% Stock Transfer Forms, there are no other stock transfer forms issued in respect of the shares in the Company.

5 **SET-OFF**

5 1 The Chargee may set off the Secured Obligations (to the extent beneficially owned by the Chargee) against any matured obligation owed by the Chargee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation

5.2 If the obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

5.3 These Rights are in addition to the security conferred on the Chargee under this Deed.

6 **RESTRICTIONS**

6.1 The Chargor will ensure that the restrictions contained in this Clause 6 (*Restrictions*) are complied with during the Security Period (or, if earlier, until the Chargor is released from its obligations under this Deed) unless the Chargee agrees to the contrary.

6.2 No Security will exist over, or in relation to, any Charged Asset or any part thereof or interest therein other than Permitted Encumbrances

6 3 There will be no Disposal of any Charged Asset.

7 **PERFECTION**

7 1 **General requirements**

The Chargor will, at its own expense, create all such Security, execute all such documents, give all such notices, effect all such registrations, deposit all such documents and do all such other things as the Chargee may require from time to time in order to·

(a) ensure that it has an effective first-ranking fixed charge over Charged Assets, and

(b) at any time after this deed becomes enforceable, facilitate the enforcement of the Chargee Security, the realisation of the Charged Assets or the exercise of any Rights held by the Chargee or any Receiver under or in connection with the Chargee Security.

7.2 The scope of Clause 7.1 (*General requirements*) is not limited by the specific provisions of the rest of this Clause 7 (*Perfection*) nor by any other provision of the Finance Documents.

7 3 **Specific requirements**

The Chargor will

(a) on the date of this Deed (or, if it acquires the Shares later, as soon as practicable after it does so), deposit with the Chargee all certificates or other documents of title to the Shares and blank stock transfer forms for them, executed by the Chargor in the form set out in Schedule 2 (*Specimen Instrument of Transfer*);

(b) if required to do so by the Chargee (and to the extent that the Chargor is able to do so) amend the articles of association of the Company in the manner reasonably required by the Chargee (and procure that the Company takes, or omits to take, all such other steps as the Chargee may require) in order to enable it to enforce its security without restriction,

(c) if reasonably required to do so by the Chargee, procure that the Chargee or its nominee becomes registered as the legal owner of the Shares,

(d) on the date of this Deed, deposit with the Chargee the original 51% Stock Transfer Forms; and

(e) on the date of this Deed or as soon as possible thereafter, take all reasonable endeavours to procure the transfer of the shares in respect of which the 51% Stock Transfer Forms have been executed to the Chargor.

7.4 **Notification**

If, after the date of this Deed, the Chargor acquires or agrees to acquire any Shares, it will notify the Chargee as soon as reasonably practicable and will provide it with such information about the acquisition as the Chargee may reasonably require.

7 5 **Subsequent security**

If the Chargee receives notice that any Security has been created over the Charged Assets (other than Permitted Encumbrances), the Chargee will be treated as if it had immediately opened a new account for the Chargor, and all payments received by the Chargee from the Chargor will be treated as if they had been credited to the new account and will not reduce the amount then due from the Chargor to the Chargee

7 6 **Financial Collateral**

The parties to this Deed designate those Charged Assets which constitute Financial Collateral to be under the control of the Chargee.

8 **ENFORCEMENT**

8.1 **Time for enforcement**

The Chargee may enforce the Chargee Security at any time following an Enforcement Event or if the Chargor requests it to do so.

8.2 **Methods of enforcement**

The Chargee may enforce the Chargee Security by·

(a) becoming the registered holder of the Charged Assets, selling the Charged Assets or otherwise receiving the benefit of the Charged Assets in any way it may decide; or

(b) appointing a Receiver of all or any part of the Charged Assets.

8.3 To the extent that any of the Charged Assets constitutes Financial Collateral and this Deed and the obligations of the Chargor under it constitute a "security financial collateral arrangement", the Chargee shall have the right to appropriate all or any part of it in or towards discharge of the Secured Obligations and transfer title in and to it to the Chargee For this purpose, the parties agree that the value of the financial collateral so appropriated shall be.

(a) in the case of cash, the amount standing to the credit of each Third Party Account, together with any accrued but unpaid interest, at the time the right of appropriation is exercised, and

(b) in the case of Shares, the market price determined by the Chargee by reference to a public index or by such other process as the Chargee may select, including independent valuation

In each case, the parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations

Expressions defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 will have the same meanings in this Clause 8 (*Enforcement*)

8 4 A Receiver must be appointed by an instrument in writing, and otherwise in accordance with the Insolvency Legislation.

8 5 The appointment of a Receiver may be made subject to such limitations as are specified by the Chargee in the appointment.

8 6 If more than one person is appointed as a Receiver, each person will have power to act independently of any other, except to the extent that the Chargee may specify to the contrary in the appointment.

8 7 The Chargee may remove or replace any Receiver

8 8 **Powers on enforcement**

The Chargee, and any Receiver, will have the following powers in respect of the Charged Assets.

(a) the powers given to a mortgagee or a receiver by the Law of Property Act 1925, but without the restrictions contained in section 103 of that Act;

(b) the powers given to an administrative receiver by the Insolvency Legislation, and

(c) the power to do, or omit to do, on behalf of the Chargor, anything which the Chargor itself could have done, or omitted to do, if the Charged Assets

were not the subject of Security and the Chargor were not in insolvency proceedings.

8.9 Except to the extent provided by law, none of the powers described in this Clause 8 (*Enforcement*) will be affected by an insolvency event of any description in relation to the Chargor.

8.10 The Chargee and its nominees, at the discretion of the Chargee, may following the occurrence of any Enforcement Event exercise in the name of the Chargor or otherwise at any time whether pursuant to the powers conferred upon the Chargee under the irrevocable proxy referred to in Clause 10 6 and whether before or after demand for payment and without any further consent or authority on the part of the Chargor in respect of the Shares any voting rights and all powers given to trustees by the Trustee Act 2000 in respect of securities or property subject to a trust and any powers or rights which may be exercisable by the person in whose name the Shares are registered but such power shall be exercised subject to the provisions of Clause 10 (*Undertakings*).

8.11 **Status and remuneration of Receiver**

8.11.1 A Receiver will be the agent of the Chargor until the Chargor goes into liquidation He will have no authority to act as agent for the Chargee, even in the liquidation of the Chargor.

8.11 2 The Chargee may from time to time determine the remuneration of any Receiver

8 12 **Third parties**

A person dealing with the Chargee or with a Receiver is entitled to assume, unless it has actual knowledge to the contrary, that.

(a) those persons have the power to do those things which they are purporting to do; and

(b) they are exercising their powers properly

9 **APPLICATION OF PROCEEDS**

9 1 A Secured Party shall apply all moneys received by it under this Deed after the Security created under this Deed has become enforceable in the following order:

9.1.1 **firstly**, in or towards the payment pro rata of any unpaid costs and expenses of any Secured Party under this Deed and interest on them at the Default Rate (both before and after judgment) from their due date until the date they are irrevocably paid in full,

9.1.2 **secondly**, in or towards the payment pro rata of any unpaid fees, commission or remuneration of any Secured Party,

9 1 3 **thirdly**, in or towards the discharge of all liabilities having priority to the Secured Obligations,

9.1.4 **fourthly**, in or towards the discharge of the Secured Obligations, and

9 1 5 **fifthly**, in the payment of any surplus to the Chargor or other person entitled to it, and section 109(8) of the Law of Property Act 1925 shall not apply.

9 1 6 The provisions in Clause 9.1 will override any appropriation made by the Chargor.

10 **UNDERTAKINGS**

10.1 The Chargor will not permit the Company to:

(a) cancel, increase, create or issue or agree to issue or put under option or agree to put under option any share or loan capital or obligation now or hereafter convertible into share or loan capital of or in the Company of any class or call any uncalled capital; or

(b) save where required pursuant to Clause 7.3 (*Specific requirements*) or the terms of the Finance Documents, make any alteration to, grant any rights in relation to or otherwise re-organise or purchase or reduce the share capital or reserves of the Company in any way or enter into any composition or arrangement with its creditors or any class of creditors of the Company.

10.2 The Chargor will not

(a) convene any meeting of the Company with a view either to the alteration of any of the provisions of the Company's Memorandum and Articles of Association (where such alteration would be prejudicial to the rights and interests of the Chargee pursuant to this Deed or in respect of the Charged Assets) or to passing a resolution that the Company be wound up; or

(b) suffer or permit the Company to permit any person other than the Chargor or the Chargee (where required pursuant to Clause 7.3 (*Specific requirements*)) to be registered as holders of the Shares or any part thereof save in respect of the 765,00 ordinary shares of the Company held by Thames Sport Investments Ltd.

10.3 The Chargor will notify the Chargee as soon as reasonably practicable after it becomes aware of any matter which might reasonably be expected to have a Material Adverse Effect on the Rights of the Chargee under the Chargee Security. Those matters include a claim by any person to an interest in a Charged Asset.

10 4 The Chargor will provide to the Chargee·

(a) such information about the Charged Assets,

(b) such information about the extent to which it has complied with its obligations under this Deed, and

(c) copies of such documents which create, evidence or relate to its Charged Assets,

as the Chargee may from time to time reasonably request.

10.5 If the Chargor does not comply with its obligations under this Deed, the Chargee may do so on the Chargor's behalf on such basis as the Chargee may reasonably decide The Chargor will indemnify the Chargee within three Business Days of demand against the amount certified by the Chargee to be the cost, loss or liability suffered by it as a result of doing so.

10 6 The Chargor will at all times deposit with the Chargee and permit the Chargee during the continuance of this security to hold and retain:

(a) Certificates

All stock and share certificates and documents of title relating to the Shares together with any other documents of title relating to the Charged Assets

(b) Transfers

Transfers of the Shares duly completed in favour of the Chargee or its nominees or otherwise as the Chargee may direct in the form set out in Schedule 2 (*Specimen Instrument of Transfer*) together with letters of authority in respect of such transfers in the form set out in Schedule 3 (*Form of Shareholder's Letter of Authority*).

(c) Irrevocable proxies

An irrevocable proxy in respect of the Shares executed by the Chargor in favour of the Chargee in the form set out in Schedule 4 (*Form of Irrevocable Proxy*), entitling the Chargee to exercise, subject to Clause 11.1 (*Dividends and voting prior to a Default*), all voting rights in respect of the Shares.

(d) Further documents

All such other documents as the Chargee may from time to time require for perfecting its title to the Shares and/or the Charged Assets or for vesting or enabling it to vest the same in itself or its nominees or in any purchaser to the intent that the Chargee may at any time without notice present them for registration.

10 7 The Chargor will at all times

(a) Prompt payment

Duly and promptly pay all calls, instalments or other payments which from time to time become due in respect of any of the Shares, and the Chargee will not in any circumstances incur any liability in respect of them.

(b) New certificates

Duly register or procure that the Directors of the Company duly register all transfers of the Shares from time to time lodged with them by or on behalf of the Chargee or its nominees and issue, and deliver to the Chargee, a new certificate or certificates for the Shares in the name of the Chargee or its nominees as soon as possible following receipt of such transfers from the Chargee, in each case provided that the Chargee is entitled to request such a transfer in accordance with the terms of this Deed.

(c) Appointment of further directors

Duly and promptly notify the Chargee of the appointment of any further Director or Directors of the Company.

10.8 **Negative pledge**

The Chargor shall not, at any time during the Security Period, create or permit to subsist any Security over any of the Charged Assets or the shares in respect of which the 51% Stock Transfer Forms have been executed.

11 **DIVIDENDS AND VOTING RIGHTS**

11 1 **Dividends and voting prior to a Default**

Prior to an Enforcement Event, the Chargor may continue to exercise all voting and other rights (including the right to collect dividends, interest, principal or other payments of money) relating to the Charged Assets provided that such rights are not exercised in a way which (and the Chargor shall not permit anything which)

(a) jeopardises the security constituted by the Finance Documents;

(b) varies the rights attaching to the Charged Assets; or

(c) relates to a participation in a rights issue or to receiving dividends other than in cash or concerns a merger, consolidation, allotment of shares, change to constitutional documents, transfer of ownership (legal or beneficial), liquidation, striking off, insolvency or matters which would otherwise be prohibited by the Finance Documents

11 2 **Dividends and voting after a Default**

11.2 1 Following an Enforcement Event, the Chargee may (without notice to or consent from the Chargor and in the Chargor's name or otherwise) exercise any rights (including the right to collect dividends, interest, principal or other payments of money but excluding the right to vote) in respect of the Charged Assets and may do anything necessary to complete any transfer form in favour of itself or otherwise

11 2.2 Following an Enforcement Event, and the service of notice upon the Chargor, the Chargee may (without consent from the Chargor and in the relevant Chargor's name or otherwise) exercise any right to vote in respect of the Charged Assets

11.3 **Distributions**

To the extent that the holder of the Shares is not the person entitled to receive the distributions and exercise the Rights, in each case referred to in this Clause 11 (*Dividends and voting rights*), the holder will pay the distributions to the person entitled to them and will exercise those Rights in accordance with the reasonable requirements of the person entitled to exercise them.

12 **FURTHER ASSURANCE**

12.1 The Chargor shall execute any document and do anything else the Chargee reasonably requires (and in such form as the Chargee reasonably requires).

(a) to give effect to this Deed and the transactions intended to be effected by it;

(b) to create, perfect, protect and preserve the Security intended to be created by this Deed and its ranking with any other Security over any Charged Assets,

(c) to exercise any rights, powers and discretions of the Chargee, any Receiver or any administrator in connection with any Charged Assets,

(d) to facilitate the realisation of any Charged Assets,

(e) to enable or assist the Chargee to enter into any transaction to start, defend or conduct any proceedings and/or take any other action relating to any Charged Assets in any jurisdiction or under the law of any jurisdiction, and/or

(f) for any similar or related purpose.

12 2 The Chargor shall deliver to the Chargee such evidence of the due authorisation and execution of any document delivered or thing done under Clause 12 1 as the Chargee may require.

13 POWERS OF THE CHARGEE

13.1 Enforcement

At any time after the occurrence of an Enforcement Event·

(a) Enforcement

(i) The Chargee and any nominee of the Chargee wheresoever situate may complete the transfers in respect of the Shares deposited with the Chargee in accordance with Clause 10 6(b) by dating the same and may submit all or any of the said transfers together with any stock or share certificates in respect thereof for registration in the name of the Chargee or any nominee of the Chargee and thereafter the Chargee or any nominee of the Chargee may exercise without further notice and without the restrictions contained in section 103 of the Law of Property Act 1925 in respect of all or any of the Charged Assets all the powers or rights which may be exercisable by the registered holder of the Shares and all other powers conferred on mortgagees by the Law of Property Act 1925 as hereby varied or extended.

(ii) The Chargee and any nominee of the Chargee wheresoever situate shall be entitled to transfer to any person the shares in respect of which the 51% Stock Transfer Forms have been executed by the completion of the 51% Stock Transfer Forms to the extent that the Chargor is permitted so to do.

(b) Application of Dividends and interest

Any Dividends, interest or other payments which may be received or receivable by the Chargee or by any nominee in respect of any of the Charged Assets may be applied by the Chargee as though they were proceeds of sale.

13 2 Sale or disposal

In exercising the powers referred to in Clause 13 1 (*Enforcement*), the Chargee may sell or dispose of the Charged Assets or any part thereof at such times in such manner for such consideration and generally on such terms and conditions as the Chargee may think fit Any such sale or disposition may be for cash, debentures or

other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as the Chargee shall think fit.

13.3 **No enquiry by purchaser**

No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Chargee to exercise any of the powers hereby conferred has arisen nor be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers

14 **DURATION OF THE SECURITY**

14.1 It is agreed that the security created by this Deed and the obligations and liabilities of the Chargor and rights, remedies and powers of the Chargee hereunder·

(a) shall be held by the Chargee as a continuing security for the payment of the Secured Obligations;

(b) shall be in addition to and shall not prejudice or affect, and may be enforced by the Chargee without prior recourse to the security created by any other of the Finance Documents or by any present or future Security, right or remedy held by or available to the Chargee or any right or remedy of the Chargee thereunder;

(c) may be enforced by the Chargee without prior recourse to any such security as is referred to in Clause 14 1(b) and the Chargor waives all rights it may have of first requiring the Chargee to enforce any such security or to proceed against or claim payment from the Company or any other person;

(d) shall not be satisfied by any intermediate payment or satisfaction of any part of the Secured Obligations or by any settlement of accounts between the Company, the Chargor or any other person who may be liable to the Chargee in respect of the Secured Obligations or any part thereof and the Chargee;

(e) shall not in any way be prejudiced or affected by any time, indulgence or relief being given by the Chargee to the Company or any other person, by any amendment or supplement to the Finance Documents or any other document, by the taking, variation, compromise, renewal or release of or refusal or neglect to perfect or enforce any right, remedy or security against the Company or any other person or by anything done or omitted which but for this provision might operate to exonerate the Chargor, and

(f) shall not in any way be prejudiced or affected by any change in the constitution of, or any amalgamation or reconstruction of the Company, the Chargee or any other person or by any legal limitation, disability, incapacity or other circumstances relating to the Company or any other person, whether or not known to the Chargee, by any invalidity or irregularity or unenforceability of the obligations of the Company or any other person under the Finance Documents

14.2 Section 93 of the Law of Property Act 1925 will not apply to the Finance Party Security.

14.3 **Rights additional**

All the rights, remedies and powers vested in the Chargee hereunder shall be in addition to and not a limitation of any and every other right, power or remedy vested in the Chargee under this Deed, the Facility Letters, the other Finance Documents or at law and all the powers so vested in the Chargee may be exercised from time to time and as often as the Chargee may deem expedient.

14.4 **No enquiry**

The Chargee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment received by it under this Deed or to make any claim or take any action to collect any moneys receivable by the Chargee in the exercise of any powers conferred by this Deed or to enforce any rights or benefits hereby assigned to the Chargee or to which the Chargee may at any time be entitled under this Deed

14 5 **Suspense account**

Any money received by virtue of or in connection with the security created by this Deed may be placed to the credit of a suspense account with a view to preserving the rights of the Chargee to prove for the whole of the Secured Obligations against the Borrowers in the event of any proceedings in, or analogous to, liquidation, composition or arrangement provided that, upon release of the security created by this Deed, the Chargor shall promptly pay any amounts so credited to a suspense account to an account nominated by the Chargor.

15 **DISCHARGE OF SECURITY**

At the end of the Security Period the Security hereby constituted shall terminate and the Chargee shall, at the request and cost of the Chargor, deliver, transfer or cause to be released to the Chargor or to such person or persons as the Chargor shall direct the documents and other articles referred to in Clause 3 (*Charge*), Clause 7 3 (*Specific requirements*) and Clause 10.6 and release and retransfer the Charged Assets to the Chargor or to such person or persons as the Chargor shall direct, free and discharged from the Finance Party Security, in each case subject to Clause 15.1 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Chargee or any of its nominees

15.1 **Avoidance of payments**

If the Chargee considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under, and the Security constituted by, this Deed shall continue and that amount shall not be considered to have been irrevocably paid.

15 2 **Other obligations**

Any release or discharge of all or any of the Security created by this Deed shall not release or discharge the Chargor from any liability to the Chargee (whether in its capacity as such or otherwise) or any other Secured Party which might exist independently of this Deed

16 EXPENSES, LIABILITY AND INDEMNITY

16.1 Neither the Chargee nor a Receiver nor any of their Officers will be in any way liable or responsible to the Chargor for any loss or liability of any kind arising from any act or omission by it of any kind (whether as mortgagee in possession or otherwise) in relation to the Charged Assets or the Chargee Security.

16 2 The Chargee shall not be liable to account as mortgagee in possession in respect of all or any of the Charged Assets and shall not be liable for any loss upon realisation or for any neglect or default to present any interest coupon or any bond or stock drawn for repayment or for any failure to pay any call or instalment or to accept any offer or to notify the Chargor of any such matter or for any other loss of any nature whatsoever in connection with the Charged Assets, except to the extent caused by its own fraud, negligence, wilful misconduct or breach of its obligations pursuant to this Deed.

16 3 The Chargor hereby agrees and undertakes to indemnify each of the Chargee, a receiver and their Officers in respect of all costs, expenses, losses, actions, claims expenses, demands, obligations and liabilities whatsoever and whenever arising which may now or hereafter be incurred or suffered by the Chargee or by any manager, agent, officer or employee of the Chargee for whose liability, act or omission it or they, or any of them may be answerable, in respect of, in relation to or in connection with.

(a) anything done or omitted in the exercise or purported exercise of the powers contained in this Deed, unless it was caused by its own fraud, negligence, wilful misconduct or breach of its obligations pursuant to this Deed; or

(b) any part of the Charged Assets;

(c) anything done or omitted in the exercise of the powers conferred on it under the Chargee Security;

(d) a claim of any kind (whether relating to the environment or otherwise) made against it which would not have arisen if the Chargee Security had not been granted and which was not caused by its own fraud, negligence, wilful misconduct or breach of its obligations pursuant to this Deed, or

(e) any breach by the Chargor of this Deed

17 PAYMENTS

17 1 No deductions

17.2 All payments to be made by the Chargor under any Finance Document shall be calculated and be made without (and free and clear of any deduction for) any Tax, set off or counterclaim

18 REMEDIES

The Rights created by this Deed are in addition to any other Rights of the Chargee against the Chargor or any other security provider under any other documentation, the general law or otherwise They will not merge with or limit those other Rights, and are not limited by them.

19 POWER OF ATTORNEY

19 1 The Chargor by way of security hereby respectively irrevocably appoints each of the Chargee and any Receiver severally to be its attorney in its name and on its behalf to execute, seal, deliver and complete any transfers or other documents which the Chargee may require for perfecting its title to or for vesting the Shares both present and future in the Chargee or its nominees or in any purchaser and to make any alteration or addition to the Shares comprised therein or any other alteration or addition and to re-deliver the same thereafter and otherwise generally to sign, seal, deliver and otherwise perfect any such transfers or other documents and any legal or other charges or assignments over the Shares referred to in Clause 12 (*Further assurance*) and to all such acts and things as may be required for the full exercise of the rights and powers conferred by this Deed including any sale or other disposition, realisation, transfer or getting in of the Charged Assets and the shares in respect of which the 51% Stock Transfer Forms have been executed and the Chargor ratifies and confirms, and agrees to ratify and confirm any deed, assurance, agreement, instrument, act or thing which any such attorney may lawfully execute or do, provided always that such power shall not be exercisable until the occurrence of an Enforcement Event

19 2 Dealings with attorneys

The exercise of the power of attorney pursuant to Clause 19.1 by or on behalf of the Chargee shall not put any person dealing with the Chargee upon any enquiry as to whether an Enforcement Event has occurred, nor shall such person (other than the Chargor) be in any way affected by notice that no Enforcement Event has occurred and, as between the Chargee and a third party, the exercise by the Chargee of such power shall constitute conclusive evidence of its right to exercise the same.

19 3 Filings

The Chargor hereby irrevocably appoints the Chargee to be its attorney in its name and on its behalf to agree the form of and to do and execute all deeds, instruments, acts and things to file, record, register or enrol this Deed which the Chargee may in its discretion consider necessary or advisable (in each case on the basis of third party legal advice acceptable to the Chargee which confirms that such action is necessary or customary in the relevant jurisdiction) in order to ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

20 NOTICES

20 1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by fax or letter

20 2 Addresses

The address, fax number and email address, and the person for whose attention the communication is to be made, of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is:

(a) the Chargor:
The Reading Football Club (Holdings) Plc
c/o Field Seymour Parkes LLP

1 London Street
Reading
Berkshire
RG1 4QW

Attention.	Ian Wood-Smith / Jeremy Parkes
Fax No	0118 950 2704
Email.	iws@fsp-law com and jeremy.parkes@fsp-law.com

(a) the Chargee.

Vibrac Corporation

[redacted]

or any other address, fax number or email address or person as one party to this Letter may notify to the other party to this Deed by not less than five Business Days' notice.

20.3 A communication or document made or delivered by one party to another under or in connection with this Deed will only be effective

(a) if by way of fax or email, when received in legible form; or

(b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address

and, if a particular department or officer is specified as part of its address details provided under Clause 20 2 (*Addresses*) if addressed to that department or officer

20.4 Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Chargee shall specify for this purpose).

21 MISCELLANEOUS

21.1 No waiver

No failure or delay by the Chargee in exercising any right, power or remedy vested in it under this Deed shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy The remedies provided in this Deed are cumulative and are not exclusive of any remedies provided by law.

21 2 **Severability**

Each of the provisions of this Deed is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid illegal or unenforceable the validity legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

21.3 **Delegation of powers**

The Chargee shall be entitled, at any time and as often as may be expedient, to delegate all or any of the powers and discretions vested in it by this Deed (including the power vested in it by virtue of Clause 19 (*Power of attorney*)) in such manner, upon such terms, and to such person as the Chargee in its absolute discretion may think fit.

21.4 **Benefit of this Deed**

This Deed shall be binding on, and enure for the benefit of, the Chargor and the Chargee and their respective successors

21 5 **Assignment by Chargor**

The Chargor may not assign or transfer any of its respective rights or obligations under this Deed

21.6 **Disclosure of information**

The Chargee may disclose Confidential Information to the extent permitted by the Facility Letters.

21 7 **Limited recourse**

Notwithstanding any other provision of this Deed it is expressly agreed and understood that·

(a) the sole recourse of the Chargee to the Chargor under this Deed is to the Chargor's interest in the Charged Assets;

(b) the liability of the Chargor to the Chargee pursuant to or otherwise in connection with this Deed shall be:

(i) limited in aggregate to an amount equal to that recovered as a result of enforcement of this Deed with respect to the Charged Assets; and

(ii) satisfied only from the proceeds of sale or other disposal or realisation of the Charged Assets pursuant to this Deed, and

(c) the Chargee shall have no right of recovery against the Chargor under this Deed other than in respect of the Charged Assets.

22 **LAW AND JURISDICTION**

22.1 This Deed and any non-contractual obligations connected with it are governed by English law.

22 2 The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**")

22 3 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that they will not argue to the contrary.

22 4 Clause 22.2 is for the benefit of the Chargee only. As a result, the Chargee will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions

Delivered as a deed on the date of this document.

Schedule 1
Shares

Name of the company	Number of shares	Class	Nominal value per share
The Reading Football Club Limited	735,000	Ordinary	£0.50

Schedule 2
Specimen Instrument of Transfer

STOCK TRANSFER FORM

(Above this line for Registrars only)

Certificate lodged with the Registrar

(For completion by the Registrar/Stock Exchange)

Consideration Money £ _____

Name of Undertaking		
Description of Security		
Number or amount of Shares, Stock or other security and in figures column only number and denomination of units, if any	Words	Figures (units of)
Name(s) of registered holder(s) should be given in full; the address should be given where there is only one holder If the transfer is not made by the registered holder(s) insert here the name(s) and capacity (e.g. Executor(s)), of the person(s) making the transfer.	In the name(s) of	

I/We hereby transfer the above security out of the name(s) aforesaid to the person(s) named below

Signature(s) of transferor(s)

1. _____

2. _____

3. _____

4. _____

A firm or corporate should execute this transfer under its common seal or otherwise in accordance with applicable statutory requirements.

Stamp of buying Broker(s) or for transactions which are not stock exchange transactions, of Agent(s), if any acting for the Transferor(s).

Date _____

Full name(s), full postal address(es) (including County or, if applicable, Postal District number) of the person(s) to whom the security is transferred

Please state title, if any, or whether Mr., Mrs. or Miss.

Please complete in type or in Block Capitals.

I/We request that such entries be made in the register as are necessary to give effect to this transfer

Stamp of Buying Broker(s) (if any)	Stamp or name and address of person lodging this form (if other than the Buying Broker(s))

References to the Registrar in this form mean the registrar or registration agent of the undertaking not the Registrar of Companies at Companies House.

FORM OF CERTIFICATE REQUIRED - TRANSFERS NOT CHARGEABLE WITH *AD VALOREM* STAMP DUTY

Complete Certificate 1 if:

- the consideration you give for the shares is £1,000 or less and the transfer is not part of a larger transaction or series of transactions (as referred to in Certificate 1).

Complete Certificate 2 if:

- the transfer is otherwise exempt from Stamp Duty and you are not claiming a relief, or
- the consideration given is not chargeable consideration.

Certificate 1

* Please delete as appropriate

I/We* certify that the transaction effected by this instrument does not form part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds £1,000.

** Delete second sentence if certificate is given by transferor

I/We* confirm that I/we* have been authorised by the transferor to sign this certificate and that I/we* am/are* aware of all the facts of the transaction. **

Signature(s)	*Description ("Transferor" "Solicitor", etc)*
.....	.....
.....	.....
.....	.....

Date

.....

Certificate 2

* Please delete as appropriate

I/We* certify that this instrument is otherwise exempt from *ad valorem* Stamp Duty without a claim for relief being made or that no chargeable consideration is given for the transfer for the purposes of Stamp Duty.

** Delete second sentence if certificate is given by transferor

I/We* confirm that I/we* have been authorised by the transferor to sign this certificate and that I/we* am/are* aware of all the facts of the transaction. **

Signature(s)	*Description ("Transferor", "Solicitor" etc)*
.....	.....
.....	.....
.....	.....

Date

.....

Notes

(1) You don't need to send this form to HM Revenue & Customs (HMRC) if you have completed either Certificate 1 or 2, or the consideration for the transfer is nil (in which case you must write 'nil' in the consideration box on the front of the form). In these situations send the form to the company or its registrar

(2) In all other cases - including where relief from Stamp Duty is claimed - send the transfer form to HMRC to be stamped.

(3) Information on Stamp Duty reliefs and exemptions and how to claim them can be found on the HMRC website at hmrc.gov.uk/sd.

STOCK Lexsfform International 4/12

Schedule 3
Form of Shareholder's Letter of Authority

To: VIBRAC CORPORATION ("**VIBRAC**")

Date. [•]

Dear Sirs

The Reading Football Company Limited (the "**Company**")

We hereby unconditionally and irrevocably authorise you to date and otherwise complete any [share/stock] transfer form[s] in respect of our shares in the Company deposited by ourselves with Vibrac pursuant to the charge dated [•] 2014 (the "**Charge**") between Vibrac and ourselves, as and when you become entitled to date and complete the same pursuant to the terms of the Charge

Yours faithfully

THE READING FOOTBALL CLUB (HOLDINGS) PLC

Schedule 4
Form of Irrevocable Proxy

We, **THE READING FOOTBALL CLUB (HOLDINGS) PLC** (the "**Shareholder**") hereby irrevocably appoint Vibrac Corporation. ("**Vibrac**") as our proxy to vote at meetings of the Shareholders of The Reading Football Club Limited (the "**Company**") in respect of any existing or further shares in the Company which may have been or may from time to time be issued to us and/or registered in our name as and when Vibrac becomes entitled to exercise voting rights in respect of those shares in accordance with Clause 11.2 (*Dividends and voting after a Default*) of the charge dated [•] 2014 between ourselves and Vibrac in relation to our shares in the Company (the "**Charge**"). This proxy is irrevocable by reason of being coupled with the interest of Virbac as chargee of the aforesaid shares pursuant to the Charge.

THE READING FOOTBALL CLUB (HOLDINGS) PLC

Dated [•] 2014

EXECUTION PAGE

The Chargor

Executed as a deed by **THE READING FOOTBALL CLUB (HOLDINGS) PLC** acting by SIR JOHN MADEJSKI in the presence of)

[redacted]

Director

Name of witness

Signature of witness:

Address:

Occupation:

[redacted]

The Chargee

Signed by for and on behalf of **VIBRAC CORPORATION** in the presence of)

Duly authorised person

Name of witness:

Signature of witness:

Address:

Occupation:

Execution Document

DATED 30 MAY 2014

THE READING FOOTBALL CLUB (HOLDINGS) PLC
as Chargor

VIBRAC CORPORATION
as Chargee

CHARGE OVER SHARES
of The Reading Football Club Limited

WE HEREBY CERTIFY THAT, SAVE FOR MATERIAL REDACTED PURSUANT TO S859 (G) COMPANIES ACT 2006, THIS COPY INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT

Berwin Leighton Paisner LLP 9/6/14

BERWIN LEIGHTON PAISNER LLP
ADELAIDE HOUSE
LONDON BRIDGE
LONDON
EC4R 9HA

BERWIN LEIGHTON PAISNER

Berwin Leighton Paisner LLP
Adelaide House London Bridge London EC4R 9HA
Tel +44 (0)20 3400 1000 Fax +44 (0)20 3400 1111

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DATED 30 MAY 2014

PARTIES

(1) **THE READING FOOTBALL CLUB (HOLDINGS) PLC**, a company incorporated under the laws of England and Wales, with company number 03889049 whose registered office is at Madejski Stadium, Junction 11 M4, Reading RG2 0FL (the "**Chargor**")

(2) **VIBRAC CORPORATION,** a company incorporated under the laws of the British Virgin Islands whose registered office is at [redacted] (the "**Chargee**")

BACKGROUND

(A) The Chargor is the registered and beneficial owner of 735,000 ordinary Shares in The Reading Football Club Limited, a company incorporated in England with registered number 00053703 (the "**Company**") representing 49% of the issued and paid up share capital of the Company,

(B) By a facility letter dated 16 August 2013 (the "**Original Facility Letter**") and made between (1) Company and (2) the Chargee, the Chargee (as lender) has made available to the Chargor (as borrower) a loan facility.

(C) By a supplemental facility letter dated on or about the date hereof (the "**Supplemental Facility Letter**") and made between (1) Company and (2) the Chargee, the Chargee (as lender) has made available to the Chargor (as borrower) a further loan facility.

(D) The Supplemental Facility Letter provides (*inter alia*) that, as a condition precedent to the advance of the Loan (as defined in the Supplemental Facility Letter), the Chargor should execute in favour of the Chargee a charge in respect of the Shares in the form of this Deed.

OPERATIVE PROVISIONS

1 **DEFINITIONS AND INTERPRETATION**

1 1 In this Deed:

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"**Charged Assets**" means those assets which are from time to time the subject of Clause 3 2.

"**Chargee Security**" means the Security created by this Deed and any other existing or future Security granted by the Chargor in respect of the Charged Assets to the Chargee to secure the payment and discharge of the Secured Obligations.

"**Debenture**" means the debenture dated 16 August 2013 between Company and Chargee (as lender).

"**Default**" shall have the meaning ascribed to it in each of the Facility Letters and each other facility letter entered into by the Chargee and the Company from time to time.

"**Default Rate**" means the rate specified in clause 5 1 of the Supplemental Facility Letter.

"**Disposal**" means any transfer or other disposal of an asset or of an interest in an asset, or the creation of any Right over an asset in favour of another person, but not the creation of Security

"**Dividends**" means in relation to any Share:

(a) dividends and distributions of any kind and any other sum received or receivable in respect of that Share;

(b) shares or other Rights accruing or offered by way of redemption, bonus, option or otherwise in respect of that Share;

(c) allotments, offers and rights accruing or offered in respect of that Share; and

(d) any other Rights attaching to, deriving from or exercisable by virtue of the ownership of, that Share.

"**Enforcement Event**" means the occurrence of a Default (other than a Known Facility Event of Default (as such term is defined in the Supplemental Facility Letter)).

"**Facility Letter**" means either the Original Facility Letter or the Supplemental Facility Letter (as the context so requires) and Facility Letters means both of them.

"**Finance Documents**" means this Deed, the Facility Letters, the Debenture, the Assignment (as such term is defined in the Supplemental Facility Letter) and any other document entered into between the Chargee and the Company, in each case as amended, novated, supplemented, extended, restated or replaced from time to time.

"**Financial Collateral**" has the meaning given to it by the Financial Collateral Arrangements (No2) Regulations 2003.

"**Insolvency Legislation**" means:

(a) the Insolvency Act 1986 and secondary legislation made under it; and

(b) any other primary or secondary legislation in England from time to time relating to insolvency or reorganisation.

"**Material Adverse Effect**" means a material adverse effect on (a) the ability of the Chargor to comply with any of its obligations under any Finance Document or (b) the business, financial condition, assets or prospects of the Chargor.

"**Officer**" means in relation to a person, any officer, employee or agent of that person.

"**Permitted Encumbrance**" means any Security created or expressly permitted by the terms of the Finance Documents.

"**Receiver**" means and includes any receiver and/or manager appointed under or pursuant to this Deed.

"**Right**" means any right, privilege, power or immunity, or any interest or remedy, of any kind, whether it is personal or proprietary.

"**Secured Party**" means the Chargee and any Receiver

"**Secured Obligations**" means all obligations at any time due, owing or incurred by any person to any Secured Party under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or surety or in some other capacity)

"**Security**" means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

"**Security Period**" means the period starting on the date of this Deed and ending on the date when the Chargee is satisfied that.

(a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

(b) the Chargor has no liability, actual or contingent, to any Secured Party under any Finance Document;

(c) no Secured Party has any liability, actual or contingent under any Finance Document; and

(d) no Secured Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any Finance Document

"**Shares**" means:

(a) the shares listed in Schedule 1 (*Shares*);

(b) any other shares in the Company which are from time to time beneficially owned by the Chargor, and

(c) any other stock, share, debenture, charge or other security held by the Chargor from time to time in the Company,

together with all stock, shares, warrants, securities, rights, moneys or property (including the Dividends, interest or income thereon or therefrom) accruing or acquired at any time and from time to time, in each case, after the date of this Deed by way of redemption, purchase, preferences, option or otherwise to or in respect of or derived from all or any of the above referenced Shares or any derivatives thereof, including the proceeds of any sale of any of such Shares after the date of this Deed.

"**51% Stock Transfer Forms**" means the stock transfer forms in respect of 765,000 (seven hundred and sixty five thousand) ordinary shares held in the Company, executed, prior to the date of this Deed, by Thames Sports Investments Ltd

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999.

1.2 The table of contents, the summary and the headings are inserted for convenience only and do not affect the interpretation of this Deed.

1.3 References to clauses and schedules are to clauses of, and schedules to, this Deed.

1.4 References to the Facility Letters, any Finance Document or any other document are to that document as from time to time amended, restated, varied, novated or replaced, however fundamentally.

1.5 References to a person include an individual, firm, company, corporation, unincorporated body of persons and any government entity.

1 6 References to a person include its successors in title, permitted assignees and permitted transferees

1.7 Words importing the plural include the singular and *vice versa*

1.8 References to any enactment include that enactment as amended or re-enacted; and, if an enactment is amended, any provision of this Deed which refers to that enactment will be amended in such manner as the Chargee, after consultation with the Chargor, determines to be necessary in order to preserve the intended effect of this Deed.

1.9 Where this Deed imposes an obligation on the Chargor to do something if required or requested by the Chargee, it will do so as soon as practicable after it becomes aware of the requirement or request

1.10 This Deed may be executed in counterparts.

1.11 Each Receiver and each Officer of the Chargee or a Receiver are not parties to this Deed. However, the rights conferred on them under this Deed are enforceable by each of them under the Third Parties Act.

1.12 No other term of this Deed is enforceable under the Third Parties Act by anyone who is not a party to this Deed.

1.13 The parties to this Deed may terminate this Deed or vary any of its terms without the consent of any third party

1.14 This Deed shall be read together with each Facility Letter but, in the case of any conflict between the instruments, the provisions of each Facility Letter shall prevail.

2 COVENANT TO PAY

The subject at all times to 21.7, the Chargor covenants with the Chargee that it shall on demand pay and discharge the Secured Obligations when due (provided that neither this covenant nor the Security constituted by this Deed shall extend to or include any liability or sum which would, but for this provision, cause this covenant or Security to be unlawful or prohibited by any applicable law).

3 CHARGE

3.1 In consideration of the Chargee agreeing to make the Loan (as defined in the Supplemental Facility Letter) available to the Company, the Chargor with full title guarantee hereby charges and agrees to charge to the Chargee as security for the payment of the Secured Obligations by way of a first fixed charge all of its Rights in and to all of the Charged Assets.

3.2 The Chargor charges, by way of first fixed charge, all of the Rights which it now has and all of the Rights which it obtains at any time in the future in.

(a) the Shares;

(b) any Rights accruing to, derived from or otherwise connected with the Shares (including Dividends and proceeds of Disposal of any Share); and

(c) any warrants, options and other Rights to subscribe for or otherwise acquire Shares

4 REPRESENTATIONS AND WARRANTIES

The Chargor hereby represents and warrants to the Chargee that, on the date of this Deed:

4.1 Title to Shares

The Chargor is the registered holder of the Shares listed in Schedule 1 (*Shares*) and is the sole legal and beneficial owner of and has full right and title to, and has hereby charged, the Shares and such Shares are free from any Security of any kind (other than Permitted Encumbrances) and are not, nor shall they be, subject to any option.

4.2 Security

The Chargor directly owns and controls forty nine per cent. (49%) of the issued share capital of the Company and this, together with the shares in respect of which the 51% Stock Transfer Forms have been executed represent 100% of the issued share capital in the Company.

4.3 Ranking

The Security granted or purported to be granted under this Deed has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security (other than Permitted Encumbrances)

4.4 Shares fully paid

The Shares listed in Schedule 1 (*Shares*) are fully paid or credited as fully paid and no calls have been, or can be, made in respect of such Shares.

4.5 Due incorporation

The Chargor is a company duly incorporated and validly existing under the laws of England, and has power to carry on its business as it is now being conducted and to own its property and other assets,

4.6 **Corporate power**

The Chargor has power to execute, deliver and perform its obligations under this Deed and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same

4.7 **Binding obligations**

This Deed constitutes valid and legally binding obligations of the Chargor enforceable in accordance with its terms.

4.8 **No conflict with other obligations**

The entry into and performance by the Chargor of, and the transaction contemplated by, this Deed do not and will not conflict with:

(a) any law applicable to it; or

(b) its constitutional documents.

4.9 **No litigation**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against the Chargor.

4.10 **Choice of law**

The choice by the Chargor of English law to govern this Deed and the submission by the Chargor to the non-exclusive jurisdiction of the courts of England are valid and binding.

4.11 **Consents obtained**

(a) All authorisations and approvals required to enable the Chargor lawfully to enter into, exercise its rights and comply with its obligations in this Deed have been obtained or effected and are in full force and effect.

(b) The constitutional documents of the Company do not and could not restrict or inhibit (whether absolutely, partly, under a discretionary power or otherwise) the transfer of the Shares in relation to the enforcement of the Security created under this Deed

4.12 **Obligations of the Chargor**

The obligations of the Chargor under this Deed are direct, general and unconditional obligations of the Chargor.

4 13 **No other security or lien**

The Chargor has not taken or received any security or lien from the Company in respect of any liability hereunder or in respect of any other liability of the Company to the Chargor, other than Permitted Encumbrances.

4.14 **No immunity**

Neither the Chargor's nor any of its assets is entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit, attachment prior to judgment, execution or other enforcement).

4.15 **Stock transfer forms**

So far as the Chargor is aware (having made due enquiry), other than the 51% Stock Transfer Forms, there are no other stock transfer forms issued in respect of the shares in the Company.

5 **SET-OFF**

5 1 The Chargee may set off the Secured Obligations (to the extent beneficially owned by the Chargee) against any matured obligation owed by the Chargee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.

5.2 If the obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

5 3 These Rights are in addition to the security conferred on the Chargee under this Deed.

6 **RESTRICTIONS**

6.1 The Chargor will ensure that the restrictions contained in this Clause 6 (*Restrictions*) are complied with during the Security Period (or, if earlier, until the Chargor is released from its obligations under this Deed) unless the Chargee agrees to the contrary.

6 2 No Security will exist over, or in relation to, any Charged Asset or any part thereof or interest therein other than Permitted Encumbrances.

6 3 There will be no Disposal of any Charged Asset.

7 **PERFECTION**

7.1 **General requirements**

The Chargor will, at its own expense, create all such Security, execute all such documents, give all such notices, effect all such registrations, deposit all such documents and do all such other things as the Chargee may require from time to time in order to.

(a) ensure that it has an effective first-ranking fixed charge over Charged Assets; and

(b) at any time after this deed becomes enforceable, facilitate the enforcement of the Chargee Security, the realisation of the Charged Assets or the exercise of any Rights held by the Chargee or any Receiver under or in connection with the Chargee Security.

7.2 The scope of Clause 7.1 (*General requirements*) is not limited by the specific provisions of the rest of this Clause 7 (*Perfection*) nor by any other provision of the Finance Documents.

7.3 **Specific requirements**

The Chargor will

(a) on the date of this Deed (or, if it acquires the Shares later, as soon as practicable after it does so), deposit with the Chargee all certificates or other documents of title to the Shares and blank stock transfer forms for them, executed by the Chargor in the form set out in Schedule 2 (*Specimen Instrument of Transfer*);

(b) if required to do so by the Chargee (and to the extent that the Chargor is able to do so) amend the articles of association of the Company in the manner reasonably required by the Chargee (and procure that the Company takes, or omits to take, all such other steps as the Chargee may require) in order to enable it to enforce its security without restriction;

(c) if reasonably required to do so by the Chargee, procure that the Chargee or its nominee becomes registered as the legal owner of the Shares;

(d) on the date of this Deed, deposit with the Chargee the original 51% Stock Transfer Forms; and

(e) on the date of this Deed or as soon as possible thereafter, take all reasonable endeavours to procure the transfer of the shares in respect of which the 51% Stock Transfer Forms have been executed to the Chargor

7.4 **Notification**

If, after the date of this Deed, the Chargor acquires or agrees to acquire any Shares, it will notify the Chargee as soon as reasonably practicable and will provide it with such information about the acquisition as the Chargee may reasonably require.

7 5 **Subsequent security**

If the Chargee receives notice that any Security has been created over the Charged Assets (other than Permitted Encumbrances), the Chargee will be treated as if it had immediately opened a new account for the Chargor, and all payments received by the Chargee from the Chargor will be treated as if they had been credited to the new account and will not reduce the amount then due from the Chargor to the Chargee

7.6 **Financial Collateral**

The parties to this Deed designate those Charged Assets which constitute Financial Collateral to be under the control of the Chargee

8 **ENFORCEMENT**

8.1 **Time for enforcement**

The Chargee may enforce the Chargee Security at any time following an Enforcement Event or if the Chargor requests it to do so.

8.2 **Methods of enforcement**

The Chargee may enforce the Chargee Security by:

(a) becoming the registered holder of the Charged Assets, selling the Charged Assets or otherwise receiving the benefit of the Charged Assets in any way it may decide; or

(b) appointing a Receiver of all or any part of the Charged Assets.

8.3 To the extent that any of the Charged Assets constitutes Financial Collateral and this Deed and the obligations of the Chargor under it constitute a "security financial collateral arrangement", the Chargee shall have the right to appropriate all or any part of it in or towards discharge of the Secured Obligations and transfer title in and to it to the Chargee. For this purpose, the parties agree that the value of the financial collateral so appropriated shall be:

(a) in the case of cash, the amount standing to the credit of each Third Party Account, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and

(b) in the case of Shares, the market price determined by the Chargee by reference to a public index or by such other process as the Chargee may select, including independent valuation.

In each case, the parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

Expressions defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 will have the same meanings in this Clause 8 (*Enforcement*).

8.4 A Receiver must be appointed by an instrument in writing, and otherwise in accordance with the Insolvency Legislation.

8.5 The appointment of a Receiver may be made subject to such limitations as are specified by the Chargee in the appointment.

8.6 If more than one person is appointed as a Receiver, each person will have power to act independently of any other, except to the extent that the Chargee may specify to the contrary in the appointment

8 7 The Chargee may remove or replace any Receiver.

8 8 **Powers on enforcement**

The Chargee, and any Receiver, will have the following powers in respect of the Charged Assets:

(a) the powers given to a mortgagee or a receiver by the Law of Property Act 1925, but without the restrictions contained in section 103 of that Act;

(b) the powers given to an administrative receiver by the Insolvency Legislation; and

(c) the power to do, or omit to do, on behalf of the Chargor, anything which the Chargor itself could have done, or omitted to do, if the Charged Assets

were not the subject of Security and the Chargor were not in insolvency proceedings.

8.9 Except to the extent provided by law, none of the powers described in this Clause 8 (*Enforcement*) will be affected by an insolvency event of any description in relation to the Chargor.

8 10 The Chargee and its nominees, at the discretion of the Chargee, may following the occurrence of any Enforcement Event exercise in the name of the Chargor or otherwise at any time whether pursuant to the powers conferred upon the Chargee under the irrevocable proxy referred to in Clause 10.6 and whether before or after demand for payment and without any further consent or authority on the part of the Chargor in respect of the Shares any voting rights and all powers given to trustees by the Trustee Act 2000 in respect of securities or property subject to a trust and any powers or rights which may be exercisable by the person in whose name the Shares are registered but such power shall be exercised subject to the provisions of Clause 10 (*Undertakings*).

8 11 **Status and remuneration of Receiver**

8.11.1 A Receiver will be the agent of the Chargor until the Chargor goes into liquidation. He will have no authority to act as agent for the Chargee, even in the liquidation of the Chargor.

8.11.2 The Chargee may from time to time determine the remuneration of any Receiver.

8.12 **Third parties**

A person dealing with the Chargee or with a Receiver is entitled to assume, unless it has actual knowledge to the contrary, that:

(a) those persons have the power to do those things which they are purporting to do, and

(b) they are exercising their powers properly.

9 **APPLICATION OF PROCEEDS**

9.1 A Secured Party shall apply all moneys received by it under this Deed after the Security created under this Deed has become enforceable in the following order:

9.1.1 **firstly**, in or towards the payment pro rata of any unpaid costs and expenses of any Secured Party under this Deed and interest on them at the Default Rate (both before and after judgment) from their due date until the date they are irrevocably paid in full;

9.1.2 **secondly**, in or towards the payment pro rata of any unpaid fees, commission or remuneration of any Secured Party;

9.1.3 **thirdly**, in or towards the discharge of all liabilities having priority to the Secured Obligations;

9 1 4 **fourthly**, in or towards the discharge of the Secured Obligations; and

9.1.5 **fifthly**, in the payment of any surplus to the Chargor or other person entitled to it, and section 109(8) of the Law of Property Act 1925 shall not apply.

9.1 6 The provisions in Clause 9.1 will override any appropriation made by the Chargor.

10 UNDERTAKINGS

10.1 The Chargor will not permit the Company to:

(a) cancel, increase, create or issue or agree to issue or put under option or agree to put under option any share or loan capital or obligation now or hereafter convertible into share or loan capital of or in the Company of any class or call any uncalled capital; or

(b) save where required pursuant to Clause 7.3 (*Specific requirements*) or the terms of the Finance Documents, make any alteration to, grant any rights in relation to or otherwise re-organise or purchase or reduce the share capital or reserves of the Company in any way or enter into any composition or arrangement with its creditors or any class of creditors of the Company.

10.2 The Chargor will not:

(a) convene any meeting of the Company with a view either to the alteration of any of the provisions of the Company's Memorandum and Articles of Association (where such alteration would be prejudicial to the rights and interests of the Chargee pursuant to this Deed or in respect of the Charged Assets) or to passing a resolution that the Company be wound up; or

(b) suffer or permit the Company to permit any person other than the Chargor or the Chargee (where required pursuant to Clause 7 3 (*Specific requirements*)) to be registered as holders of the Shares or any part thereof save in respect of the 765,00 ordinary shares of the Company held by Thames Sport Investments Ltd.

10.3 The Chargor will notify the Chargee as soon as reasonably practicable after it becomes aware of any matter which might reasonably be expected to have a Material Adverse Effect on the Rights of the Chargee under the Chargee Security. Those matters include a claim by any person to an interest in a Charged Asset.

10.4 The Chargor will provide to the Chargee:

(a) such information about the Charged Assets;

(b) such information about the extent to which it has complied with its obligations under this Deed; and

(c) copies of such documents which create, evidence or relate to its Charged Assets,

as the Chargee may from time to time reasonably request.

10 5 If the Chargor does not comply with its obligations under this Deed, the Chargee may do so on the Chargor's behalf on such basis as the Chargee may reasonably decide. The Chargor will indemnify the Chargee within three Business Days of demand against the amount certified by the Chargee to be the cost, loss or liability suffered by it as a result of doing so.

10.6 The Chargor will at all times deposit with the Chargee and permit the Chargee during the continuance of this security to hold and retain:

(a) Certificates

All stock and share certificates and documents of title relating to the Shares together with any other documents of title relating to the Charged Assets.

(b) Transfers

Transfers of the Shares duly completed in favour of the Chargee or its nominees or otherwise as the Chargee may direct in the form set out in Schedule 2 (*Specimen Instrument of Transfer*) together with letters of authority in respect of such transfers in the form set out in Schedule 3 (*Form of Shareholder's Letter of Authority*).

(c) Irrevocable proxies

An irrevocable proxy in respect of the Shares executed by the Chargor in favour of the Chargee in the form set out in Schedule 4 (*Form of Irrevocable Proxy*), entitling the Chargee to exercise, subject to Clause 11.1 (*Dividends and voting prior to a Default*), all voting rights in respect of the Shares.

(d) Further documents

All such other documents as the Chargee may from time to time require for perfecting its title to the Shares and/or the Charged Assets or for vesting or enabling it to vest the same in itself or its nominees or in any purchaser to the intent that the Chargee may at any time without notice present them for registration.

10 7 The Chargor will at all times:

(a) Prompt payment

Duly and promptly pay all calls, instalments or other payments which from time to time become due in respect of any of the Shares, and the Chargee will not in any circumstances incur any liability in respect of them.

(b) New certificates

Duly register or procure that the Directors of the Company duly register all transfers of the Shares from time to time lodged with them by or on behalf of the Chargee or its nominees and issue, and deliver to the Chargee, a new certificate or certificates for the Shares in the name of the Chargee or its nominees as soon as possible following receipt of such transfers from the Chargee, in each case provided that the Chargee is entitled to request such a transfer in accordance with the terms of this Deed.

(c) Appointment of further directors

Duly and promptly notify the Chargee of the appointment of any further Director or Directors of the Company.

10.8 **Negative pledge**

The Chargor shall not, at any time during the Security Period, create or permit to subsist any Security over any of the Charged Assets or the shares in respect of which the 51% Stock Transfer Forms have been executed.

11 **DIVIDENDS AND VOTING RIGHTS**

11.1 **Dividends and voting prior to a Default**

Prior to an Enforcement Event, the Chargor may continue to exercise all voting and other rights (including the right to collect dividends, interest, principal or other payments of money) relating to the Charged Assets provided that such rights are not exercised in a way which (and the Chargor shall not permit anything which):

(a) jeopardises the security constituted by the Finance Documents;

(b) varies the rights attaching to the Charged Assets; or

(c) relates to a participation in a rights issue or to receiving dividends other than in cash or concerns a merger, consolidation, allotment of shares, change to constitutional documents, transfer of ownership (legal or beneficial), liquidation, striking off, insolvency or matters which would otherwise be prohibited by the Finance Documents.

11.2 **Dividends and voting after a Default**

11.2.1 Following an Enforcement Event, the Chargee may (without notice to or consent from the Chargor and in the Chargor's name or otherwise) exercise any rights (including the right to collect dividends, interest, principal or other payments of money but excluding the right to vote) in respect of the Charged Assets and may do anything necessary to complete any transfer form in favour of itself or otherwise.

11.2.2 Following an Enforcement Event, and the service of notice upon the Chargor, the Chargee may (without consent from the Chargor and in the relevant Chargor's name or otherwise) exercise any right to vote in respect of the Charged Assets.

11.3 **Distributions**

To the extent that the holder of the Shares is not the person entitled to receive the distributions and exercise the Rights, in each case referred to in this Clause 11 (*Dividends and voting rights*), the holder will pay the distributions to the person entitled to them and will exercise those Rights in accordance with the reasonable requirements of the person entitled to exercise them.

12 **FURTHER ASSURANCE**

12 1 The Chargor shall execute any document and do anything else the Chargee reasonably requires (and in such form as the Chargee reasonably requires):

(a) to give effect to this Deed and the transactions intended to be effected by it;

(b) to create, perfect, protect and preserve the Security intended to be created by this Deed and its ranking with any other Security over any Charged Assets;

(c) to exercise any rights, powers and discretions of the Chargee, any Receiver or any administrator in connection with any Charged Assets;

(d) to facilitate the realisation of any Charged Assets;

(e) to enable or assist the Chargee to enter into any transaction to start, defend or conduct any proceedings and/or take any other action relating to any Charged Assets in any jurisdiction or under the law of any jurisdiction, and/or

(f) for any similar or related purpose.

12 2 The Chargor shall deliver to the Chargee such evidence of the due authorisation and execution of any document delivered or thing done under Clause 12.1 as the Chargee may require.

13 POWERS OF THE CHARGEE

13.1 Enforcement

At any time after the occurrence of an Enforcement Event.

(a) Enforcement

(i) The Chargee and any nominee of the Chargee wheresoever situate may complete the transfers in respect of the Shares deposited with the Chargee in accordance with Clause 10.6(b) by dating the same and may submit all or any of the said transfers together with any stock or share certificates in respect thereof for registration in the name of the Chargee or any nominee of the Chargee and thereafter the Chargee or any nominee of the Chargee may exercise without further notice and without the restrictions contained in section 103 of the Law of Property Act 1925 in respect of all or any of the Charged Assets all the powers or rights which may be exercisable by the registered holder of the Shares and all other powers conferred on mortgagees by the Law of Property Act 1925 as hereby varied or extended.

(ii) The Chargee and any nominee of the Chargee wheresoever situate shall be entitled to transfer to any person the shares in respect of which the 51% Stock Transfer Forms have been executed by the completion of the 51% Stock Transfer Forms to the extent that the Chargor is permitted so to do.

(b) Application of Dividends and interest

Any Dividends, interest or other payments which may be received or receivable by the Chargee or by any nominee in respect of any of the Charged Assets may be applied by the Chargee as though they were proceeds of sale.

13.2 Sale or disposal

In exercising the powers referred to in Clause 13.1 (*Enforcement*), the Chargee may sell or dispose of the Charged Assets or any part thereof at such times in such manner for such consideration and generally on such terms and conditions as the Chargee may think fit. Any such sale or disposition may be for cash, debentures or

other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as the Chargee shall think fit.

13.3 **No enquiry by purchaser**

No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Chargee to exercise any of the powers hereby conferred has arisen nor be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.

14 **DURATION OF THE SECURITY**

14.1 It is agreed that the security created by this Deed and the obligations and liabilities of the Chargor and rights, remedies and powers of the Chargee hereunder:

(a) shall be held by the Chargee as a continuing security for the payment of the Secured Obligations;

(b) shall be in addition to and shall not prejudice or affect, and may be enforced by the Chargee without prior recourse to the security created by any other of the Finance Documents or by any present or future Security, right or remedy held by or available to the Chargee or any right or remedy of the Chargee thereunder;

(c) may be enforced by the Chargee without prior recourse to any such security as is referred to in Clause 14.1(b) and the Chargor waives all rights it may have of first requiring the Chargee to enforce any such security or to proceed against or claim payment from the Company or any other person;

(d) shall not be satisfied by any intermediate payment or satisfaction of any part of the Secured Obligations or by any settlement of accounts between the Company, the Chargor or any other person who may be liable to the Chargee in respect of the Secured Obligations or any part thereof and the Chargee;

(e) shall not in any way be prejudiced or affected by any time, indulgence or relief being given by the Chargee to the Company or any other person, by any amendment or supplement to the Finance Documents or any other document, by the taking, variation, compromise, renewal or release of or refusal or neglect to perfect or enforce any right, remedy or security against the Company or any other person or by anything done or omitted which but for this provision might operate to exonerate the Chargor; and

(f) shall not in any way be prejudiced or affected by any change in the constitution of, or any amalgamation or reconstruction of the Company, the Chargee or any other person or by any legal limitation, disability, incapacity or other circumstances relating to the Company or any other person, whether or not known to the Chargee, by any invalidity or irregularity or unenforceability of the obligations of the Company or any other person under the Finance Documents.

14.2 Section 93 of the Law of Property Act 1925 will not apply to the Finance Party Security.

14.3 Rights additional

All the rights, remedies and powers vested in the Chargee hereunder shall be in addition to and not a limitation of any and every other right, power or remedy vested in the Chargee under this Deed, the Facility Letters, the other Finance Documents or at law and all the powers so vested in the Chargee may be exercised from time to time and as often as the Chargee may deem expedient.

14.4 No enquiry

The Chargee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment received by it under this Deed or to make any claim or take any action to collect any moneys receivable by the Chargee in the exercise of any powers conferred by this Deed or to enforce any rights or benefits hereby assigned to the Chargee or to which the Chargee may at any time be entitled under this Deed.

14.5 Suspense account

Any money received by virtue of or in connection with the security created by this Deed may be placed to the credit of a suspense account with a view to preserving the rights of the Chargee to prove for the whole of the Secured Obligations against the Borrowers in the event of any proceedings in, or analogous to, liquidation, composition or arrangement provided that, upon release of the security created by this Deed, the Chargor shall promptly pay any amounts so credited to a suspense account to an account nominated by the Chargor.

15 DISCHARGE OF SECURITY

At the end of the Security Period the Security hereby constituted shall terminate and the Chargee shall, at the request and cost of the Chargor, deliver, transfer or cause to be released to the Chargor or to such person or persons as the Chargor shall direct the documents and other articles referred to in Clause 3 (*Charge*), Clause 7.3 (*Specific requirements*) and Clause 10 6 and release and retransfer the Charged Assets to the Chargor or to such person or persons as the Chargor shall direct, free and discharged from the Finance Party Security, in each case subject to Clause 15.1 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Chargee or any of its nominees.

15.1 Avoidance of payments

If the Chargee considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under, and the Security constituted by, this Deed shall continue and that amount shall not be considered to have been irrevocably paid.

15.2 Other obligations

Any release or discharge of all or any of the Security created by this Deed shall not release or discharge the Chargor from any liability to the Chargee (whether in its capacity as such or otherwise) or any other Secured Party which might exist independently of this Deed.

16 EXPENSES, LIABILITY AND INDEMNITY

16.1 Neither the Chargee nor a Receiver nor any of their Officers will be in any way liable or responsible to the Chargor for any loss or liability of any kind arising from any act or omission by it of any kind (whether as mortgagee in possession or otherwise) in relation to the Charged Assets or the Chargee Security.

16 2 The Chargee shall not be liable to account as mortgagee in possession in respect of all or any of the Charged Assets and shall not be liable for any loss upon realisation or for any neglect or default to present any interest coupon or any bond or stock drawn for repayment or for any failure to pay any call or instalment or to accept any offer or to notify the Chargor of any such matter or for any other loss of any nature whatsoever in connection with the Charged Assets, except to the extent caused by its own fraud, negligence, wilful misconduct or breach of its obligations pursuant to this Deed.

16.3 The Chargor hereby agrees and undertakes to indemnify each of the Chargee, a receiver and their Officers in respect of all costs, expenses, losses, actions, claims expenses, demands, obligations and liabilities whatsoever and whenever arising which may now or hereafter be incurred or suffered by the Chargee or by any manager, agent, officer or employee of the Chargee for whose liability, act or omission it or they, or any of them may be answerable, in respect of, in relation to or in connection with:

(a) anything done or omitted in the exercise or purported exercise of the powers contained in this Deed, unless it was caused by its own fraud, negligence, wilful misconduct or breach of its obligations pursuant to this Deed; or

(b) any part of the Charged Assets,

(c) anything done or omitted in the exercise of the powers conferred on it under the Chargee Security;

(d) a claim of any kind (whether relating to the environment or otherwise) made against it which would not have arisen if the Chargee Security had not been granted and which was not caused by its own fraud, negligence, wilful misconduct or breach of its obligations pursuant to this Deed, or

(e) any breach by the Chargor of this Deed.

17 PAYMENTS

17 1 No deductions

17 2 All payments to be made by the Chargor under any Finance Document shall be calculated and be made without (and free and clear of any deduction for) any Tax, set off or counterclaim.

18 REMEDIES

The Rights created by this Deed are in addition to any other Rights of the Chargee against the Chargor or any other security provider under any other documentation, the general law or otherwise. They will not merge with or limit those other Rights, and are not limited by them.

19 POWER OF ATTORNEY

19.1 The Chargor by way of security hereby respectively irrevocably appoints each of the Chargee and any Receiver severally to be its attorney in its name and on its behalf to execute, seal, deliver and complete any transfers or other documents which the Chargee may require for perfecting its title to or for vesting the Shares both present and future in the Chargee or its nominees or in any purchaser and to make any alteration or addition to the Shares comprised therein or any other alteration or addition and to re-deliver the same thereafter and otherwise generally to sign, seal, deliver and otherwise perfect any such transfers or other documents and any legal or other charges or assignments over the Shares referred to in Clause 12 (*Further assurance*) and to all such acts and things as may be required for the full exercise of the rights and powers conferred by this Deed including any sale or other disposition, realisation, transfer or getting in of the Charged Assets and the shares in respect of which the 51% Stock Transfer Forms have been executed and the Chargor ratifies and confirms, and agrees to ratify and confirm any deed, assurance, agreement, instrument, act or thing which any such attorney may lawfully execute or do, provided always that such power shall not be exercisable until the occurrence of an Enforcement Event

19 2 Dealings with attorneys

The exercise of the power of attorney pursuant to Clause 19 1 by or on behalf of the Chargee shall not put any person dealing with the Chargee upon any enquiry as to whether an Enforcement Event has occurred, nor shall such person (other than the Chargor) be in any way affected by notice that no Enforcement Event has occurred and, as between the Chargee and a third party, the exercise by the Chargee of such power shall constitute conclusive evidence of its right to exercise the same.

19.3 Filings

The Chargor hereby irrevocably appoints the Chargee to be its attorney in its name and on its behalf to agree the form of and to do and execute all deeds, instruments, acts and things to file, record, register or enrol this Deed which the Chargee may in its discretion consider necessary or advisable (in each case on the basis of third party legal advice acceptable to the Chargee which confirms that such action is necessary or customary in the relevant jurisdiction) in order to ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

20 NOTICES

20.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

20.2 Addresses

The address, fax number and email address, and the person for whose attention the communication is to be made, of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is:

(a) the Chargor:
The Reading Football Club (Holdings) Plc
c/o Field Seymour Parkes LLP

1 London Street
Reading
Berkshire
RG1 4QW

Attention: Ian Wood-Smith / Jeremy Parkes
Fax No: 0118 950 2704
Email: iws@fsp-law.com and jeremy.parkes@fsp-law.com

(a) the Chargee.

Vibrac Corporation

[redacted]

or any other address, fax number or email address or person as one party to this Letter may notify to the other party to this Deed by not less than five Business Days' notice.

20.3 A communication or document made or delivered by one party to another under or in connection with this Deed will only be effective.

(a) if by way of fax or email, when received in legible form; or

(b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address.

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2 (*Addresses*) if addressed to that department or officer.

20 4 Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Chargee shall specify for this purpose).

21 MISCELLANEOUS

21.1 No waiver

No failure or delay by the Chargee in exercising any right, power or remedy vested in it under this Deed shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy The remedies provided in this Deed are cumulative and are not exclusive of any remedies provided by law.

21.2 **Severability**

Each of the provisions of this Deed is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid illegal or unenforceable the validity legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

21.3 **Delegation of powers**

The Chargee shall be entitled, at any time and as often as may be expedient, to delegate all or any of the powers and discretions vested in it by this Deed (including the power vested in it by virtue of Clause 19 (*Power of attorney*)) in such manner, upon such terms, and to such person as the Chargee in its absolute discretion may think fit.

21.4 **Benefit of this Deed**

This Deed shall be binding on, and enure for the benefit of, the Chargor and the Chargee and their respective successors.

21.5 **Assignment by Chargor**

The Chargor may not assign or transfer any of its respective rights or obligations under this Deed.

21.6 **Disclosure of information**

The Chargee may disclose Confidential Information to the extent permitted by the Facility Letters.

21.7 **Limited recourse**

Notwithstanding any other provision of this Deed it is expressly agreed and understood that:

(a) the sole recourse of the Chargee to the Chargor under this Deed is to the Chargor's interest in the Charged Assets;

(b) the liability of the Chargor to the Chargee pursuant to or otherwise in connection with this Deed shall be:

(i) limited in aggregate to an amount equal to that recovered as a result of enforcement of this Deed with respect to the Charged Assets; and

(ii) satisfied only from the proceeds of sale or other disposal or realisation of the Charged Assets pursuant to this Deed; and

(c) the Chargee shall have no right of recovery against the Chargor under this Deed other than in respect of the Charged Assets.

22 **LAW AND JURISDICTION**

22.1 This Deed and any non-contractual obligations connected with it are governed by English law.

22.2 The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**").

22.3 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that they will not argue to the contrary.

22.4 Clause 22.2 is for the benefit of the Chargee only. As a result, the Chargee will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions.

Delivered as a deed on the date of this document.

Schedule 1
Shares

Name of the company	Number of shares	Class	Nominal value per share
The Reading Football Club Limited	735,000	Ordinary	£0.50

Schedule 2
Specimen Instrument of Transfer

STOCK TRANSFER FORM

(Above this line for Registrars only)

Certificate lodged with the Registrar

Consideration Money £ _____

(For completion by the Registrar/Stock Exchange)

Name of Undertaking		
Description of Security		
Number or amount of Shares, Stock or other security and in figures column only number and denomination of units, if any	Words	Figures (units of)
Name(s) of registered holder(s) should be given in full; the address should be given where there is only one holder If the transfer is not made by the registered holder(s) insert also the name(s) and capacity (e.g. Executor(s)) of the person(s) making the transfer	In the name(s) of	

I/We hereby transfer the above security out of the name(s) aforesaid to the person(s) named below

Signature(s) of transferor(s)

1. _____
2. _____
3. _____
4. _____

A Body corporate should execute this transfer under its common seal or otherwise in accordance with applicable statutory requirements.

Stamp of Selling Broker(s) or for transactions which are not stock exchange transactions, of Agent(s), if any, acting for the Transferor(s).

Date _____

Full name(s), full postal address(es) (including County or if applicable, Postal District number) of the person(s) to whom the security is transferred.

Please state title, if any, or whether Mr., Mrs. or Miss.

Please complete in type or in Block Capitals.

I/We request that such entries be made in the register as are necessary to give effect to this transfer

Stamp of Buying Broker(s) (if any)	Stamp or name and address of person lodging this form (if other than the Buying Broker(s))

Reference to the Registrar in this form means the registrar or registration agent of the undertaking, not the Registrar of Companies at Companies House.

FORM OF CERTIFICATE REQUIRED - TRANSFERS NOT CHARGEABLE WITH *AD VALOREM* STAMP DUTY

Complete Certificate 1 if:

- the consideration you give for the shares is £1,000 or less and the transfer is not part of a larger transaction or series of transactions (as referred to in Certificate 1).

Complete Certificate 2 if:

- the transfer is otherwise exempt from Stamp Duty and you are not claiming a relief, or
- the consideration given is not chargeable consideration.

Certificate 1

* Please delete as appropriate

I/We* certify that the transaction effected by this instrument does not form part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds £1 000.

** Delete second sentence if certificate is given by transferor

I/We* confirm that I/we* have been authorised by the transferor to sign this certificate and that I/we* am/are* aware of all the facts of the transaction. **

Signature(s) *Description ("Transferor" "Solicitor", etc)*

.....

.....

.....

Date

.....

Certificate 2

* Please delete as appropriate

I/We* certify that this instrument is otherwise exempt from *ad valorem* Stamp Duty without a claim for relief being made or that no chargeable consideration is given for the transfer for the purposes of Stamp Duty

** Delete second sentence if certificate is given by transferor

I/We* confirm that I/we* have been authorised by the transferor to sign this certificate and that I/we* am/are* aware of all the facts of the transaction. **

Signature(s) *Description ("Transferor", "Solicitor" etc)*

.....

.....

.....

Date

.....

Notes

(1) You don't need to send this form to HM Revenue & Customs (HMRC) if you have completed either Certificate 1 or 2, or the consideration for the transfer is nil (in which case you must write 'nil' in the consideration box on the front of the form). In these situations send the form to the company or its registrar

(2) In all other cases - including where relief from Stamp Duty is claimed - send the transfer form to HMRC to be stamped

(3) Information on Stamp Duty reliefs and exemptions and how to claim them can be found on the HMRC website at hmrc.gov.uk/sd

STOCK Letterfex International 4/12

Schedule 3
Form of Shareholder's Letter of Authority

To: VIBRAC CORPORATION ("**VIBRAC**")

Date: [•]

Dear Sirs

The Reading Football Company Limited (the "**Company**")

We hereby unconditionally and irrevocably authorise you to date and otherwise complete any [share/stock] transfer form[s] in respect of our shares in the Company deposited by ourselves with Vibrac pursuant to the charge dated [•] 2014 (the "**Charge**") between Vibrac and ourselves, as and when you become entitled to date and complete the same pursuant to the terms of the Charge.

Yours faithfully

THE READING FOOTBALL CLUB (HOLDINGS) PLC

Schedule 4
Form of Irrevocable Proxy

We, **THE READING FOOTBALL CLUB (HOLDINGS) PLC** (the "**Shareholder**") hereby irrevocably appoint Vibrac Corporation. ("**Vibrac**") as our proxy to vote at meetings of the Shareholders of The Reading Football Club Limited (the "**Company**") in respect of any existing or further shares in the Company which may have been or may from time to time be issued to us and/or registered in our name as and when Vibrac becomes entitled to exercise voting rights in respect of those shares in accordance with Clause 11.2 (*Dividends and voting after a Default*) of the charge dated [•] 2014 between ourselves and Vibrac in relation to our shares in the Company (the "**Charge**"). This proxy is irrevocable by reason of being coupled with the interest of Virbac as chargee of the aforesaid shares pursuant to the Charge.

THE READING FOOTBALL CLUB (HOLDINGS) PLC

Dated. [•] 2014

EXECUTION PAGE

The Chargor

Executed as a deed by **THE READING FOOTBALL CLUB (HOLDINGS) PLC** acting by)
in the presence of:)

Director

Name of witness:

Signature of witness:

Address:

Occupation:

The Chargee

Signed by)
for and on behalf of **VIBRAC CORPORATION** in the presence of:)

[redacted]

Duly authorised person

Name of witness: [redacted]

Signature of witness:

Address:

Occupation: