



Registration of a Charge

Company Name: **SANDS RESORT HOTEL LIMITED**

Company Number: **04658829**



Received for filing in Electronic Format on the: **22/12/2022**

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Details of Charge

Date of creation: **16/12/2022**

Charge code: **0465 8829 0002**

Persons entitled: **BARCLAYS BANK PLC AS SECURITY AGENT**

Brief description: **THE LAND CHARGED BY THE CHARGOR INCLUDED THE LAND AND BUILDINGS KNOWN AS SANDS RESORT HOTEL, WATERGATE ROAD, PORTH, NEWQUAY, TR7 3LX REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBER CL222824. FOR MORE DETAILS PLEASE REFER TO THE CHARGING INSTRUMENT.**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **WE CERTIFY THAT, SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE CHARGING
INSTRUMENT.**

Certified by:

DENTONS UK AND MIDDLE EAST LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4658829

Charge code: 0465 8829 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th December 2022 and created by SANDS RESORT HOTEL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd December 2022 .

Given at Companies House, Cardiff on 29th December 2022

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

EXECUTION VERSION

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NJXP/MSXM/076001.00706/86537016.5

Debenture

Dated 16 December 2022

The companies listed in Schedule 1
(the **Original Chargors**)

Barclays Bank PLC
(the **Security Agent**)

This security is subject to and has the benefit of the Intercreditor Agreement as defined in the Amended Facilities Agreement (as defined herein)

Dentons UK and Middle East LLP
One Fleet Place
London EC4M 7WS
United Kingdom
DX 242

Contents

1	Definitions and interpretation	2
2	Covenant to pay	6
3	Creation of Security	6
4	Nature of Security created	9
5	Conversion of floating charge	9
6	Representations and warranties	10
7	Undertakings	11
8	Voting and other rights	15
9	Enforcement	16
10	Appointment and powers of Receivers	17
11	Protection of purchasers	18
12	Protection of the Secured Parties	18
13	Preservation of Security	20
14	Tacking	22
15	Further assurance	22
16	Power of attorney	23
17	Currency	24
18	Discharge of Security	24
19	Additional Chargors	24
20	Counterparts	25
21	Governing law and enforcement	25
	Schedule 1 – Original Chargors	26
	Schedule 2 – Land charged by way of legal mortgage	27
	Schedule 3 – Shares	29
	Schedule 4 - Assigned Agreements	30
	Schedule 5 – Form of notice for Assigned Agreements	31
	Schedule 6 – Form of notice for Insurances	33
	Schedule 7 – Form of notice for Derivative Contracts	35
	Schedule 8 – Forms of letter to and from the Account Bank	37
	Schedule 9 – Form of Security Accession Deed	43

Debenture

Dated 16 December 2022

Between

- (1) The companies listed in Schedule 1 (*Original Chargors*) (the **Original Chargors**); and
- (2) **Barclays Bank PLC** as security trustee for the Secured Parties (the **Security Agent**).

Recitals

- A. The Finance Parties have agreed for the terms of the Facilities Agreement to be amended and restated by the Amendment and Restatement Agreement.
- B. The Chargors have agreed to provide Security to the Security Agent (as security trustee for the Secured Parties) to secure the payment and discharge of the Secured Liabilities on the terms set out in this Debenture.

This deed witnesses

1 Definitions and interpretation

1.1 Definitions

Words and expressions defined in the Amended Facilities Agreement shall have the same meanings in this Debenture unless they are expressly defined in it and, in addition, in this Debenture:

Acquisition Agreement means:

- (a) the agreement dated on or around the date of this Debenture relating to the sale and purchase of Target made between the Borrower and the Vendor; and
- (b) the disclosure letter relating to the acquisition of the Target.

Account means any account which a Chargor holds with any bank or financial institution from time to time other than a Controlled Account.

Account Bank means, in respect of each Account or Controlled Account, the bank or other financial institution at which that Account is held.

Act means the Law of Property Act 1925.

Additional Chargor means each company that has granted Security over its assets in favour of the Security Agent by executing a Security Accession Deed in accordance with Clause 19 (*Additional Chargors*).

Amended Facilities Agreement means the Facilities Agreement as amended and restated by the Amendment and Restatement Agreement.

EXECUTION VERSION

Amendment and Restatement Agreement means the amendment and restatement agreement dated on or around the date of this Debenture made between, amongst others, the Chargers and the Security Agent and relates to the Facilities Agreement.

Assigned Agreements means each contract specified in Schedule 9Schedule 4 (– *Assigned Agreements*) and any agreement referred to as such in the Schedule to any Security Accession Deed.

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

Chargor means each Original Chargor and each Additional Chargor.

Controlled Account means any account which a Chargor holds with any bank or financial institution and that has either been designated as a 'Controlled Account' by the relevant Chargor and the Security Agent from time to time or specified as a 'Controlled Account' by a New Chargor in a Security Accession Deed.

Debt means any debt or moneys due or owing to a Chargor.

Default Rate means the rate of interest specified in, and calculated in accordance with, clause 12.7 (*Default interest*) of the Amended Facilities Agreement.

Derivative Contract means any master agreement, schedule, transaction, confirmation, novation or other instrument entered into by a Chargor and a counterparty from time to time in connection with protection against or benefit from fluctuation in any rate or price.

Distribution Rights means all dividends, interest and other distributions paid or payable on or in respect of any Investments or Shares and any right to receive them.

Equipment means, in relation to a Chargor, all its fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties.

Event of Default means any event or circumstance specified as such in clause 25 (*Events of Default*) of the Amended Facilities Agreement (save for clause 25.18 (*Acceleration*) of the Amended Facilities Agreement).

Facilities Agreement means the facilities agreement dated 2 September 2021 between, among others, the Borrower and the Security Agent.

Insurance means, in relation to a Chargor, each contract or policy of insurance to which that Chargor is a party or in which it has an interest.

Intellectual Property means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets (which may now or in the future subsist).

EXECUTION VERSION

Investments means all or any stocks, shares (other than any Shares), bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations) owned by a Chargor or held by any nominee or trustee on its behalf.

Land has the same meaning as it has in section 205(1) of the Act.

Receiver means a receiver appointed pursuant to this Debenture or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and, if the Security Agent is permitted by law to appoint an administrative receiver, includes an administrative receiver.

Regulations means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and **Regulation** means any of them.

Secured Liabilities means all obligations and liabilities at any time due, owing or incurred by the Chargors to the Secured Parties under or pursuant to the Finance Documents (including, for the avoidance of doubt, any increase in such obligations and liabilities as a result of any exercise of the Accordion Option), whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or surety or in some other capacity) except for any obligations or liabilities which, if secured by this Debenture, would result in a contravention by a Chargor of the prohibitions in Chapter 2 (*Financial assistance for purchase of own shares*) of Part 18 of the Companies Act 2006.

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 Accession Deed means a deed executed by a company substantially in the form set out in Schedule 9 (*Form of Security Accession Deed*), with those amendments which the Security Agent may approve or reasonably require.

Security Assets means, in relation to a Chargor, all of its assets which are the subject of any Security created or to be created by this Debenture.

Security Period means the period starting on the date of this Debenture and ending on the date on which the Security Agent is satisfied that:

- (a) all of the Secured Liabilities are irrevocably discharged in full; and
- (b) no Finance Party has any commitment or liability to provide financial accommodation to any Chargor under the Finance Documents.

Shares means:

- (a) the shares specified in Schedule 3 (*Shares*); and
- (b) any other shares held by a Chargor in its Subsidiaries or held by a nominee or trustee on its behalf.

Specified Land means the Land referred to in Part 3 of Schedule 2 (*– Land charged by way of legal mortgage*).

EXECUTION VERSION

Trade Mark means each United Kingdom registered trade mark owned now or in the future by a Chargor that is material in the context of a Chargor's business and/or is required by the relevant Chargor to carry on its business.

Trade Mark Property means:

- (a) all Trade Marks;
- (b) any goodwill of a Chargor's business to which any Trade Mark relates; and
- (c) any other right which may arise from, relate to, or be associated with any Trade Mark or its use in a Chargor's business.

1.2 Construction

1.2.1 The principles of construction set out in clause 1.2 (*Construction*) of the Amended Facilities Agreement shall apply to this Debenture, insofar as they are relevant to it and subject to any necessary changes, as they apply to the Amended Facilities Agreement.

1.2.2 Unless a contrary intention appears, any reference in this Debenture to:

- (a) this **Debenture** is a reference to this Debenture as amended, varied, novated, supplemented and replaced from time to time;
- (b) a **Chargor**, the **Security Agent** or any **Secured Party** includes any one or more of its assigns, transferees and successors in title (in the case of a Chargor, so far as any such is permitted); and
- (c) the **Security Agent** or any **Secured Party** (except for the references in Clause 16 (*Power of attorney*)), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.

1.2.3 The liabilities of the Chargors under this Debenture are joint and several.

1.3 Third party rights

1.3.1 Unless expressly provided to the contrary in this Debenture, a person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Debenture.

1.3.2 The parties to this Debenture may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Debenture without the consent of any person that is not a party (without prejudice to the terms of the other Finance Documents).

1.3.3 Any Secured Party or any person described in Clauses 11 (*Protection of purchasers*) or Clause 12 (*Protection of the Secured Parties*) may, subject to this Clause 1.3 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Debenture which expressly confers rights on it.

1.4 Effect as a deed

This Debenture shall take effect as a deed even if it is signed under hand on behalf of the Security Agent.

EXECUTION VERSION**1.5 Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the other Finance Documents and of any side letters between any parties in relation to any Finance Document are incorporated in this Debenture to the extent required to ensure that any purported disposition of an interest in Land contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Intercreditor Agreement

This Debenture is subject to the terms of the Intercreditor Agreement.

2 Covenant to pay

The Chargors covenant with the Security Agent and the other Secured Parties that they will on demand pay and discharge the Secured Liabilities when due.

3 Creation of Security**3.1 Land**

Each Chargor charges:

- (a) by way of legal mortgage its interest in the Land referred to opposite its name in Part 1 and Part 2 of Schedule 2 (*Land charged by way of legal mortgage*); and
- (b) by way of fixed charge any right, title or interest which it has now or may subsequently acquire to or in any other Land, except in respect of the Specified Land which shall be subject to the floating charge under Clause 3.15 (*Other assets*).

3.2 Shares

Each Chargor mortgages or (if or to the extent that this Debenture does not take effect as a mortgage) charges by way of fixed charge:

- (a) all its Shares, including those (if any) referred to opposite its name in Schedule 3 (*Shares*); and
- (b) all related Distribution Rights.

3.3 Investments

Each Chargor mortgages or (if and to the extent that this Debenture does not take effect as a mortgage) charges by way of fixed charge:

- (a) all its Investments; and
- (b) all related Distribution Rights.

3.4 Equipment

Each Chargor charges by way of fixed charge all its Equipment in so far as it is not charged by way of legal mortgage under Clause 3.1 (*Land*).

3.5 Debts

Each Chargor charges by way of fixed charge:

- (a) its Debts; and
- (b) all benefits, rights and Security held in respect of, or to secure the payment of, the Debts.

3.6 Controlled Accounts

- 3.6.1 Each Chargor charges by way of fixed charge all amounts standing to the credit of each Controlled Account held with the Security Agent and all of its right, title and interest in and relating to each such Account.
- 3.6.2 Each Chargor assigns absolutely all amounts standing to the credit of each Controlled Account held with a person other than the Security Agent and all of its right, title and interest in and relating to each such Controlled Account.

3.7 Intellectual Property

Each Chargor charges by way of fixed charge all its Intellectual Property, including:

- (a) the Trade Mark Property which belongs to it now or at any time during the Security Period; and
- (b) all fees, royalties and other rights of every kind deriving from the Trade Mark Property.

3.8 Goodwill

Each Chargor charges by way of fixed charge its goodwill.

3.9 Uncalled capital

Each Chargor charges by way of fixed charge its uncalled capital.

3.10 Authorisations

Each Chargor charges by way of fixed charge the benefit of all Authorisations it holds in relation to any Security Asset.

3.11 Derivative Contracts

Each Chargor charges by way of fixed charge its right to receive all moneys payable under any Derivative Contract.

3.12 Assigned Agreements

- 3.12.1 Each Chargor assigns by way of security all its rights and interests under the Assigned Agreements to which it is party.

EXECUTION VERSION

- 3.12.2 Until the Security created by this Debenture becomes enforceable, but subject to Clause 7.4 (*Assigned Agreements, Derivative Contracts and Insurances*), the relevant Chargor may continue to deal with the counterparties to the relevant Assigned Agreements.

3.13 Insurances

- 3.13.1 Each Chargor assigns by way of security all its rights and interests under the Insurances.
- 3.13.2 Until the Security created by this Debenture becomes enforceable, but subject to Clause 7.4 (*Assigned Agreements, Derivative Contracts and Insurances*), the Chargors may continue to deal with the counterparties to the Insurances.

3.14 Contractual rights

Each Chargor charges by way of fixed charge all its rights under all deeds, documents, agreements and instruments to which it is a party or beneficiary other than those rights that are effectively assigned or subject to a fixed charge under any other term of this Clause 3.

3.15 Other assets

- 3.15.1 Each Chargor charges by way of floating charge all its present and future business, undertaking and assets which are not effectively mortgaged, charged by way of fixed charge or assigned under this Clause 3.
- 3.15.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to any floating charge created by this Debenture.

3.16 Trust

- 3.16.1 Subject to Clause 3.16.2, if or to the extent that for any reason the assignment or charging of any Security Asset is ineffective because of a prohibition on that assignment or charging, the relevant Chargor holds it on trust for the Security Agent.

- 3.16.2 If the reason referred to in Clause 3.16.1 is that:

- (a) a consent or waiver must be obtained; or
- (b) a condition must be satisfied,

then:

- (i) subject to Clause 3.16.3, the relevant Chargor shall apply for the consent or waiver; and
- (ii) that Chargor shall use all reasonable endeavours to obtain the consent or waiver or satisfy the condition (as applicable),

in each case within 10 Business Days of the date of this Debenture or, if the Security Asset is acquired after the date of this Debenture, within 10 Business Days of the date of acquisition.

- 3.16.3 Where the consent or waiver is not to be unreasonably withheld, the relevant Chargor shall:

- (a) use all reasonable endeavours to obtain it as soon as possible; and

EXECUTION VERSION

- (b) keep the Security Agent informed of the progress of the negotiations to obtain it.

3.16.4 Prior to the waiver or consent being obtained, or the condition being satisfied, the relevant Security Asset shall be excluded from any mortgage, assignment or charge created under Clauses 3.1 (*Land*) to 3.15 (*Other assets*) (inclusive) to the extent that it would result in a breach of the applicable agreement containing the prohibition or restriction and, on the waiver or consent being obtained, or the condition being satisfied, the relevant Security Asset shall be mortgaged, charged or assigned (as appropriate) under Clauses 3.1 (*Land*) to 3.15 (*Other assets*) (inclusive) and, in relation to such Security Asset, the trust referred to in Clause 3.16.1 shall terminate.

4 Nature of Security created

4.1 General

The Security created under this Debenture is created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (b) (except in the case of assets which are the subject of a legal mortgage under this Debenture) over all present and future assets of the kind described which are owned by the relevant Chargor and, to the extent that it does not own those assets, shall extend to any right or interest which it may have in them;
- (c) in favour of the Security Agent as trustee for the Secured Parties; and
- (d) with full title guarantee.

4.2 Security over Derivative Contracts

The Security created under this Debenture over any Derivative Contract shall apply net of any set-off or combination of amounts owed under, and in accordance with the terms of, that Derivative Contract.

5 Conversion of floating charge

5.1 Conversion on notice

Subject to Clause 5.2 (*Limitation*), the Security Agent may by notice to a Chargor at any time during the Security Period convert the floating charge created by that Chargor under this Debenture into a fixed charge in respect of any Security Asset specified in that notice:

- (a) in the event the Security created by this Debenture has become enforceable; or
- (b) if the Security Agent considers that Security Asset to be in danger of being seized, attached, charged, taken possession of or sold under any form of distress, sequestration, execution or other process or otherwise to be in jeopardy.

5.2 Limitation

5.2.1 Subject to Clause 5.2.2 below, Clause 5.1 (*Conversion on notice*) shall not apply solely by reason of:

EXECUTION VERSION

- (a) the obtaining of a moratorium, or
 - (b) anything done with a view to obtaining a moratorium,
- under Part A1 of the Insolvency Act 1986.

5.2.2 Clause 5.2.1 above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

5.3 Automatic conversion

The floating charge created by a Chargor under this Debenture will convert automatically into fixed charges:

- (a) if the Security Agent receives notice of an intention to appoint an administrator of that Chargor;
- (b) if any steps are taken, (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of that Chargor over all or any part of its assets, or if such person is appointed;
- (c) if that Chargor creates or attempts to create Security over all or any of the Security Assets, other than Permitted Security;
- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process, or attempts to do so; and
- (f) in any other circumstances prescribed by law.

6 Representations and warranties

6.1 General

The Security Agent has entered into this Debenture in reliance on the representations of each Chargor set out in this Clause 6, and each Chargor warrants to the Security Agent on the date of this Debenture, as set out in this Clause 6. The representations and warranties made by the Target, as Chargor, in this Clause 6 are made in relation to the period on and after the Closing Date (as applicable).

6.2 Land

As at the date of this Debenture, it is not legal or beneficial owner of any Land other than the Land (if any) referred to opposite its name in Schedule 2 (*Land charged by way of legal mortgage*).

6.3 Shares

6.3.1 As at the date of this Debenture, it is not legal or beneficial owner of any Shares other than the Shares (if any) referred to opposite its name in Schedule 3 (*Shares*).

EXECUTION VERSION

6.3.2 All of the Shares and, to the extent applicable, Investments are fully paid.

6.4 Trade Marks

6.4.1 It is the legal, beneficial and registered proprietor of each Trade Mark.

6.4.2 It is not aware of any reason why any relevant Trade Mark may for any reason be invalid or incapable of being the subject of the Security created by this Debenture.

6.4.3 It is not aware of any conduct, action or lack of action which will or may have the effect of prejudicing in any material respect the validity of any relevant Trade Mark Property or adversely affecting its value.

6.4.4 Other than as disclosed in writing to the Security Agent on or before the date of this Debenture:

- (a) it is not restricted in any material way in its use or exercise of any relevant Trade Mark Property; and
- (b) to the best of its knowledge, information and belief (having made all reasonable enquiries), there are no licences, agreements (whether registered user agreements or otherwise) or Security (other than in favour of the Security Agent) which relate to or affect any relevant Trade Mark Property or the Security created by this Debenture.

6.4.5 It is not aware of any claim from any third party relating to ownership of any relevant Trade Mark, or of any claim that any relevant Trade Mark infringes any trade mark (whether registered or unregistered) or any other Intellectual Property of any third party.

6.5 Insurances

6.5.1 It is the legal and beneficial owner of each Insurance to which it is a party.

6.5.2 All premiums and other moneys payable in respect of each Insurance have been duly and promptly paid in full.

6.5.3 Each Insurance to which it is a party is in full force and effect.

6.5.4 It has not made any false declaration or mis-statement in support of obtaining any Insurance to which it is a party.

6.5.5 It has disclosed all facts it considers material (having made due and careful enquiry) to the insurers of each Insurance to which it is a party.

6.6 Repetition

The representations and warranties set out in this Clause 6 shall survive the execution of this Debenture and are deemed to be repeated by reference to the facts and circumstances then existing on each date on which the Repeating Representations are deemed to be repeated.

7 Undertakings

The undertakings in this Clause 7 remain in force from the date of this Debenture until the expiry of the Security Period.

EXECUTION VERSION

7.1 Land

7.1.1 Each Chargor shall promptly notify the Security Agent in writing if it:

- (a) intends to acquire any estate or interest in Land;
- (b) acquires any estate or interest in Land;
- (c) it receives any notice under section 146 of the Act; or
- (d) any proceedings are commenced against it for the forfeiture of any lease of any Land.

7.1.2 If a Chargor acquires any freehold or leasehold property after the date of this Debenture it shall:

- (a) immediately on request by the Security Agent and at the cost of that Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that property in any form which the Security Agent may require;
- (b) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, apply to the Land Registry for registration of this Security; and
- (c) if applicable, ensure that the provisions of Clause 15.2 (*Application to Land Registrar*) are complied with in relation to that legal mortgage.

7.1.3 If the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute a legal mortgage over it, that Chargor shall:

- (a) not be required to perform that obligation unless and until it has obtained the landlord's consent; and
- (b) use its reasonable endeavours to obtain the landlord's consent.

7.1.4 Each Chargor shall, promptly after receipt by it of any material application, requirement, order or notice served or given by any public or local or any other authority with respect to its Land (or any part of it):

- (a) deliver a copy to the Security Agent; and
- (b) inform the Security Agent of the steps taken or proposed to be taken to comply with the relevant requirements.

7.1.5 Following an Event of Default that is continuing or, in respect of any Land acquired after the date of this Debenture, upon the request of the Security Agent, each Chargor shall grant the Security Agent or its lawyers on request all facilities within the power of that Chargor to enable the Security Agent or its lawyers (at the expense of that Chargor) to carry out investigations of title to the Land.

7.2 Accounts

7.2.1 If any Chargor opens or otherwise acquires any Account after the date of this Debenture, it shall notify the Security Agent immediately.

EXECUTION VERSION

- 7.2.2 After executing this Debenture (or in the case of any Account opened after the date of this Debenture, after the date on which that Account is opened), each Chargor shall:
- (a) in respect of its Controlled Accounts (if any), promptly give notice to the Account Bank in the form set out in Part 1 of Schedule 8 (*Forms of letter to and from Account Bank*) and deliver to the Security Agent a certified copy of that notice;
 - (b) in respect of each of its Accounts (if any), promptly give notice to the Account Bank in the form set out in Part 2 of Schedule 8 (*Forms of letter to and from Account Bank*) and deliver to the Security Agent a certified copy of that notice; and
 - (c) use all reasonable endeavours to ensure that the Account Bank acknowledges each notice served on it pursuant to paragraphs (a) or (b) above in the form set out in Part 3 of Schedule 8 (*Forms of Letter to and from Account Bank*) or other form approved by the Security Agent.
- 7.2.3 Subject to the Amended Facilities Agreement, no Chargor may receive, withdraw or transfer any credit balance from a Controlled Account.
- 7.2.4 Subject to the Amended Facilities Agreement, each Chargor may receive, withdraw or transfer any credit balance from any Account unless the Security Agent notifies it to the contrary at any time after the Security constituted by this Debenture has become enforceable.
- 7.2.5 In addition to any rights of the Agent or the Security Agent under the Amended Facilities Agreement, at any time after the Security constituted by this Debenture has become enforceable, the Security Agent may:
- (a) apply any amount standing to the credit of any Account or any amount it receives in respect of any such Account towards any amounts due and payable under the Finance Documents; and
 - (b) may notify the Account Bank at which any Account is held that the Chargers' rights (or any of them) under Clause 7.2.4 cease to apply.

7.3 Shares and Investments

- 7.3.1 If any Chargor forms or acquires any Subsidiary after the date of this Debenture, it shall notify the Security Agent immediately.
- 7.3.2 If requested by the Security Agent pursuant to clause 24.2 (*Further assurance*) of the Amended Facilities Agreement or otherwise, each Chargor shall promptly deposit with the Security Agent, in respect of or in connection with its Shares and Investments:
- (a) all stock and share certificates and documents of or evidencing title;
 - (b) signed undated transfers, completed in blank; and
 - (c) any other documents which the Security Agent may from time to time require for perfecting its title, or the title of any purchaser,
- all of which will be held by the Security Agent at the expense and risk of the relevant Chargor.
- 7.3.3 Each Chargor shall:

EXECUTION VERSION

- (a) promptly following receipt, forward to the Security Agent copies of all notices, documents and other communications received in connection with the Shares and Investments;
- (b) promptly copy to the Security Agent, and comply with, all requests for information which is within its knowledge and which are made under section 793 of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document relating to any of its Shares and Investments; and
- (c) comply with all other conditions and obligations assumed by it in respect of any of the Shares and Investments where failure to so comply would adversely affect the interests of the Secured Parties.

7.4 Assigned Agreements, Derivative Contracts and Insurances

7.4.1 Each Chargor shall:

- (a) promptly after the execution of this Debenture, or (as the case may be) promptly after the execution of any Assigned Agreement, Derivative Contract or Insurance entered into after the date of this Debenture, give notice to the other parties to the Assigned Agreements, Derivative Contracts and Insurances:
 - (i) in the case of Assigned Agreements substantially in the form set out in Schedule 5 (*Form of notice for Assigned Agreements*); and
 - (ii) in the case of Insurances, substantially in the form set out in Schedule 6 (*Form of notice for Insurances*); and
 - (iii) in the case of Derivative Contracts, substantially in the form set out in Schedule 7 (*Form of notice for Derivative Contracts*),and deliver to the Security Agent a copy of each notice; and
- (b) use all reasonable endeavours to procure that each party served with a notice under paragraph (a) above countersigns and returns it to the Security Agent within 14 days of the execution of this Debenture or in the case of Assigned Agreements, Derivative Contracts and Insurances entered into after the date of this Debenture, within 14 days of the date of the execution of the Assigned Agreement, Derivative Contract or Insurance.

7.4.2 Subject to the terms of the Amended Facilities Agreement (including any obligations in it relating to the application of proceeds), until the Security created by this Debenture becomes enforceable, the relevant Chargor may exercise all its rights in respect of the Assigned Agreements, the Derivative Contracts and the Insurances (in each case to which it is a party) including receiving and exercising all rights relating to proceeds of those Assigned Agreements, Derivative Contracts and Insurances.

7.5 Trade Marks

Each Chargor shall at all times during the Security Period promptly notify the Security Agent if it receives notification, or otherwise becomes aware, of:

- (a) any actual or alleged infringement of any Trade Mark;

EXECUTION VERSION

- (b) any actual or alleged infringement of any third party's trade marks or other intellectual or other rights arising from the use of any Trade Mark; or
- (c) any actual cancellation or other legal action in respect of any Trade Mark.

7.6 Disposals

No Chargor shall enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to sell, lease, transfer, loan, nor otherwise dispose of any Security Asset, nor enter into an agreement to make any such disposal other than a Permitted Disposal.

7.7 Negative pledge

No Chargor shall create or permit to subsist any Security over any Security Asset except for Permitted Security.

8 Voting and other rights**8.1 Before demand by the Security Agent**

Until such time as the Security Agent makes a demand under Clause 8.2, each Chargor may exercise any of its voting and other rights and powers attached to the Shares and Investments but shall not do so in a manner which may:

- (a) have the effect of changing the terms of issue of any of the Shares or Investments (or any class of them) or any of the Distribution Rights relating to them;
- (b) impair the value of any of the Shares or Investments;
- (c) prejudice the security created by this Debenture; or
- (d) otherwise prejudice the interests of the Secured Parties under the Finance Documents.

8.2 After demand by the Security Agent

- (a) If the Security Agent so demands at any time after the Security created under this Debenture has become enforceable and subject to paragraph (b) below, each Chargor shall:
 - (i) promptly pay over to the Security Agent all moneys arising from the Distribution Rights relating to the Shares and Investments which it may receive; and
 - (ii) exercise all voting and other rights and powers attached to the Shares and Investments in any manner which the Security Agent may direct.
- (b) The Security Agent shall not be entitled to demand any voting or other rights under paragraph (a) above if and to the extent that:
 - (i) a notifiable acquisition would take place under section 6 of the National Security and Investment Act 2021 (the **NSI Act**) and any regulations made

EXECUTION VERSION

under the NSI Act as a consequence of making that demand or exercising those rights; and

- (ii) either:
 - (A) the Secretary of State has not approved that notifiable acquisition in accordance with the NSI Act; or
 - (B) the Secretary of State has approved that notifiable acquisition in accordance with the NSI Act but there would, as a consequence, be a breach of the provisions of a final order made in relation to that notifiable acquisition under the NSI Act.

8.3 Completion of transfers

At any time after the Security created under this Debenture has become enforceable, the Security Agent may, without notice to any Chargor:

- (a) complete and date any of the transfers and other documents referred to in paragraphs (b) and (c) of Clause 7.3.2; and
- (b) transfer all or any of the Shares or Investments to itself.

9 Enforcement**9.1 When Security becomes enforceable**

The Security created by a Chargor under this Debenture shall become enforceable on the occurrence of an Event of Default.

9.2 Powers on enforcement

9.2.1 At any time after the Security created by a Chargor under this Debenture has become enforceable, the Security Agent may (without prejudice to any other of its rights and remedies and without notice to that Chargor) do all or any of the following:

- (a) sell or otherwise dispose of the Security Assets, and exercise all the other powers and rights conferred on mortgagees by the Act, as varied and extended by this Debenture, without the restrictions contained in sections 103 or 109(1) of the Act;
- (b) exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Security Asset, without the restrictions imposed by sections 99 and 100 of the Act;
- (c) to the extent that any Security Asset constitutes Financial Collateral, as defined in the Regulations, appropriate it and transfer the title in and to it to the Security Agent insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18;
- (d) subject to Clause 10.1.1 (*Method of appointment and removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Security Assets; and
- (e) appoint an administrator of any Chargor.

EXECUTION VERSION

9.2.2 The value of any Financial Collateral appropriated pursuant to paragraph (c) of Clause 9.2.1 shall be:

- (a) in the case of cash, its face value at the time of appropriation; and
- (b) in the case of financial instruments or other Financial Collateral, their market price at the time of appropriation as determined by the Security Agent (or an agent, Delegate, attorney or Receiver appointed by it) by reference to a public index or by such other process as the Security Agent (or an agent, Delegate, attorney or Receiver appointed by it) may select, including independent valuation.

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

9.3 Disposal of the Security Assets

In exercising the powers referred to in paragraph (a) of Clause 9.2 (*Powers on enforcement*), the Security Agent or any Receiver may sell or dispose of all or any of the Security Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

9.4 Application of moneys

9.4.1 The Security Agent shall apply any moneys received or recovered by it pursuant to this Debenture in accordance with the Amended Facilities Agreement (subject to the terms of the Intercreditor Agreement).

9.4.2 Any Receiver shall apply any moneys received or recovered by it pursuant to this Debenture:

- (a) first, in or towards the pro rata payment of or provision for any sums owing to the Security Agent, any Receiver or any Delegate; and
- (b) secondly, to the Security Agent for application in accordance with Clause 9.4.1, and section 109(8) of the Act shall not apply.

9.4.3 Clauses 9.4.1 and 9.4.2 will override any appropriation made by a Chargor.

10 Appointment and powers of Receivers

10.1 Method of appointment and removal

10.1.1 The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986

10.1.2 Every appointment or removal of a Receiver, of any delegate or of any other person by the Security Agent pursuant to this Debenture may be made in writing under the hand of any officer or manager of the Security Agent (subject to any requirement for a court order in the removal of an administrative receiver).

EXECUTION VERSION

10.2 Powers of Receiver

Every Receiver shall have all the powers:

- (a) of the Security Agent under this Debenture;
- (b) conferred by the Act on mortgagees in possession and on receivers appointed under the Act;
- (c) which are specified in Schedule 1 of the Insolvency Act 1986 in relation to, and to the extent applicable to, the Security Assets or any of them (whether or not the Receiver is an administrative receiver within the meaning of that Act); and
- (d) in relation to any Security Asset, which he would have if he were its only absolute owner.

10.3 Joint or several

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Debenture.

10.4 Receiver as agent

Every Receiver shall be the agent of the relevant Chargor which shall be solely responsible for his acts and defaults and for the payment of his remuneration.

10.5 Receiver's remuneration

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent, and the maximum rate specified in section 109(6) of the Act shall not apply.

11 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound or concerned:

- (a) to see or enquire whether the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Debenture has arisen or not;
- (b) with the propriety of the exercise or purported exercise of those powers; or
- (c) with the application of any moneys paid to the Security Agent, to any Receiver or to any other person.

12 Protection of the Secured Parties

12.1 Exclusion of liability

None of the Security Agent, the Secured Parties or any of their respective officers or employees shall have any responsibility or liability:

EXECUTION VERSION

- (a) for any action taken, or any failure to take any action, in relation to all or any of the Security Assets;
- (b) to account as mortgagee in possession or for any loss upon realisation of any Security Asset;
- (c) for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 17 (*Currency*); or
- (d) for the loss or destruction of, or damage to, any of the Security Assets, or to any documents of or evidencing title to them, which are in the possession or held to the order of any such person (and which will be held by such persons at the expense and risk of the Chargors);
- (e) for any other default or omission in relation to all or any of the Security Assets for which a mortgagee in possession might be liable,

except in the case of negligence or wilful misconduct on the part of that person.

12.2 General indemnity

12.2.1 Each Chargor shall indemnify the Security Agent, the Secured Parties and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to all or any of the Security Assets;
- (b) any payment relating to or in respect of all or any of the Security Assets which becomes payable at any time by any of them;
- (c) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Debenture;
- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Debenture; and
- (e) any breach by that Chargor of any of its covenants or other obligations to the Security Agent or any other Secured Party,

except in the case of negligence or wilful misconduct on the part of that person.

12.2.2 Each Chargor shall pay interest at the Default Rate on the sums payable under this Clause from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

12.3 Indemnity out of the Security Assets

The Security Agent, the Secured Parties and their respective officers and employees shall be entitled to be indemnified out of the Security Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 12.2 (*General indemnity*).

13 Preservation of Security

13.1 Reinstatement

If any payment by a Chargor or discharge given by the Security Agent (whether in respect of the obligations of any Chargor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liabilities of that Chargor and the Security created by that Chargor under this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Secured Parties shall be entitled to recover the value or amount of that Security or payment from that Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

13.2 Waiver of defences

Neither the Security created by this Debenture nor the obligations of any Chargor under this Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to that Chargor, the Security Agent or any other Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (b) the release of any Chargor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Chargor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

13.3 Chargor intent

Without prejudice to the generality of Clause 13.2 (*Waiver of defences*), each Chargor expressly confirms that it intends that the Security created by this Debenture shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any Facilities or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

EXECUTION VERSION

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such Facilities or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

13.4 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Chargor under this Debenture. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

13.5 Appropriations

During the Security Period each Secured Party may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 9.4 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of the Secured Liabilities.

13.6 Deferral of Chargors' rights

During the Security Period and unless the Security Agent otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or the enforcement of the Security created by this Debenture:

- (a) to receive or claim payment from, or be indemnified by any Chargor;
- (b) to claim any contribution from any guarantor of, or provider of Security in respect of, any Chargor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;

EXECUTION VERSION

- (d) to exercise any right of set-off against any Chargor; and/or
- (e) to claim or prove as a creditor of any Chargor in competition with any Secured Party.

13.7 Additional Security

This Debenture is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to any Secured Party.

13.8 New accounts

If any Secured Party receives notice (actual or otherwise) of any subsequent Security over or affecting all or any of the Security Assets it may open a new account or accounts with the Borrower and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by the Borrower to that Secured Party:

- (a) shall be credited or be treated as having been credited to the new account of the Borrower; and
- (b) shall not operate to reduce the Secured Liabilities at the time when the Secured Party received or was deemed to have received such notice.

14 Tacking

For the purposes of section 94(1) of the Act and section 49(3) of the Land Registration Act 2002 the Security Agent confirms on behalf of the Lender that the Lender shall make further advances to the Borrower on the terms and subject to the conditions of the Finance Documents.

15 Further assurance**15.1 Registration at Companies House**

Each Chargor incorporated in a jurisdiction in the United Kingdom consents to the registration of the Security created under this Debenture at Companies House pursuant to Part 25 of the Companies Act 2006.

15.2 Application to Land Registrar

Each Chargor consents to the registration against the registered titles specified opposite its name in Schedule 2 (*Land charged by way of legal mortgage*) of:

- (a) a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date of Debenture] in favour of Barclays Bank PLC referred to in the charges register or their conveyancer. (Form P)"; and

EXECUTION VERSION

- (b) a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents.

15.3 Further action

Each Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Agent may require in order to:

- (a) give effect to the requirements of this Debenture;
- (b) protect, preserve and perfect the Security intended to be created by or pursuant to this Debenture;
- (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Debenture with any other Security over any assets of any Chargor; or
- (d) facilitate the realisation of all or any of the Security Assets or the exercise of any rights, powers and discretions conferred on the Security Agent, any Receiver or any administrator in connection with all or any of the Security Assets,

and any such document may disapply section 93 of the Act.

15.4 Deposit of documents

Subject to Clause 7.3.2 (*Shares and Investments*), each Chargor covenants that, on the date of this Debenture and at all times during the Security Period as soon as it receives them (and in any event as soon as the Security Agent so requests), it shall deposit with the Security Agent, in respect of or in connection with the Security Assets:

- (a) all deeds, certificates and other documents of or evidencing title; and
- (b) any other documents which the Security Agent may from time to time require for perfecting its title, or the title of any purchaser.

15.5 Law of Property (Miscellaneous Provisions) Act 1994

The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to the provisions set out in this Clause 15.

16 Power of attorney

Each Chargor irrevocably and by way of security appoints each of:

- (a) the Security Agent;
- (b) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Agent; and
- (c) any Receiver,

jointly and severally as its attorney, in its name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit at any time after the Security created by this Debenture has become enforceable or following the failure by the relevant Chargor to comply with a request from the Security Agent to take any action and sign or execute any

EXECUTION VERSION

further documents which that Chargor is required to take, sign or execute in accordance with this Debenture. Each Chargor agrees, promptly on the request of the Security Agent or any Receiver, to ratify and confirm all such actions taken and documents signed or executed.

17 Currency**17.1 The Spot Rate**

In this Clause 17, the **Spot Rate** means, in relation to the Security Agent or any other Finance Party, the spot rate of exchange of that Finance Party for the purchase of any currency with any other currency in the London foreign exchange market.

17.2 Conversion of moneys received

The Security Agent or any other Finance Party may convert any moneys received, recovered or realised in any currency under this Debenture (including the proceeds of any previous conversion under this Clause 17.2) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.

18 Discharge of Security

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Security Agent shall, unless any third party has any subrogation or other rights in respect of the Security created by this Debenture at that time, or shall procure that its appointees will, at the request and cost of the Chargors:

- (a) release the Security Assets from this Debenture; and
- (b) re-assign to the relevant Chargor those Security Assets that have been assigned to the Security Agent under Clause 3 (*Creation of Security*).

Section 93 of the Act shall not apply to this Debenture.

19 Additional Chargers**19.1 Delivery of Security Accession Deed**

19.1.1 The Borrower may request that any Subsidiary or company that is to become a Subsidiary (the **New Chargor**) becomes a Chargor.

19.1.2 The New Chargor shall become a Chargor if:

- (a) the Borrower and the New Chargor deliver to the Security Agent a duly completed and executed Security Accession Deed; and
- (b) the Borrower confirms that no Default is continuing or would occur as a result of the New Chargor becoming a Chargor.

19.2 Repetition of representations

Delivery of a Security Accession Deed constitutes confirmation by the New Chargor that the representations and warranties set out in Clause 6 (*Representations and warranties*) are true and correct to the extent applicable to it as at the date of delivery as if made by reference to the facts and circumstances then existing and that they are deemed to be repeated by

EXECUTION VERSION

reference to the facts and circumstances then existing on each date on which the Repeating Representations are deemed to be repeated.

19.3 Chargor confirmations

Each Chargor agrees that the accession of a New Chargor to this Debenture will in no way prejudice or adversely affect its obligations under this Debenture or the Security granted by it under the Debenture.

20 Counterparts

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

21 Governing law and enforcement

21.1 Governing law

English law governs this Debenture, its interpretation and any non-contractual obligations arising from or connected with it.

21.2 Jurisdiction

21.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture) (a **Dispute**).

21.2.2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

21.2.3 Notwithstanding Clause 21.2.1, neither the Security Agent nor any other Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent and the other Secured Parties may take concurrent proceedings in any number of jurisdictions.

Executed as a deed and delivered on the date appearing at the beginning of this Debenture.

Schedule 1 – Original Chargors

Name of Chargor	Registered number (or equivalent, if any) and jurisdiction of incorporation	Notice details
Watergate Bay Hotel Limited	Registered number: 03709185 Jurisdiction: England and Wales	Address: Watergate Bay Hotel, Watergate Bay, Newquay, Cornwall TR8 4AA Attention: Will Ashworth (Chief Executive Officer)
Sands Resort Hotel Limited	Registered number: 04658829 Jurisdiction: England and Wales	Address: Watergate Bay Hotel, Watergate Bay, Newquay, Cornwall TR8 4AA Attention: Will Ashworth (Chief Executive Officer)

Schedule 2 – Land charged by way of legal mortgage

Part 1 – Registered Land

Name of Chargor	Description and address	Title number	Freehold / leasehold
Watergate Bay Hotel Limited	The Watergate Bay Hotel, Watergate Bay, Newquay, Cornwall, TR8 4AA	CL146719	Freehold
Watergate Bay Hotel Limited	Part of Sea Lane, Watergate Bay, Newquay	CL159943	Freehold
Watergate Bay Hotel Limited	Land at Sea Lane, Watergate	CL169471	Freehold
Watergate Bay Hotel Limited	Land on the south side of Trevarrian Hill, Watergate Bay, Newquay	CL238792	Freehold
Watergate Bay Hotel Limited	1-2 Watergate Villas, Watergate Bay, Newquay, TR8 4AB	CL271829	Freehold
Watergate Bay Hotel Limited	Land at Watergate Villas, Watergate Bay, Newquay, TR8 4AB	CL293610	Freehold
Watergate Bay Hotel Limited	Tregurrian Hotel, Watergate Bay, Newquay, TR8 4AB	CL29726	Freehold
Watergate Bay Hotel Limited	Land on the south side of Trevarrian Hill, Watergate Bay, Newquay	CL39255	Freehold
Sands Resort Hotel Limited	Sands Resort Hotel, Watergate Road, Porth, Newquay (TR7 3LX)	CL222824	Freehold
Sands Resort Hotel Limited	Land lying on the west side of Trevelgue Road, Whipsiderry, Porth, Newquay	CL43108	Freehold

Part 2 - Unregistered Land

None as at the date of this Debenture.

EXECUTION VERSION

Part 3 – Specified Land

Name of Chargor	Description and address	Title number	Freehold / leasehold
Watergate Bay Hotel Limited	Clipper Cottage, Porth Bean Road NEWQUAY TR7 3LU	CL65067	Freehold
Watergate Bay Hotel Limited	The Trumplers, 48 Well Way NEWQUAY TR7 3LS	CL169135	Freehold
Watergate Bay Hotel Limited	Seawall Cottage, Porth Bean Road NEWQUAY TR7 3LU	CL266311	Freehold
Watergate Bay Hotel Limited	Dove Cottage, Porth Bean Road NEWQUAY TR7 3LU	CL117313	Freehold
Watergate Bay Hotel Limited	Seamist, Tregurrian NEWQUAY TR8 4AD	CL271848	Freehold
Watergate Bay Hotel Limited	Unit 15, The Hangar, Aerohub Business Park, NEWQUAY TR8 4JZ	CL360357	Leasehold
Watergate Bay Hotel Limited	Unit 6 Front Office, St Columb Major Business Park and additional space adjoining Unit 6.	Unregistered	Leasehold
Watergate Bay Hotel Limited	Part Unit 6, St Columb Major Business Park, St Columb Major	Unregistered	Leasehold
Watergate Bay Hotel Limited	17 Quintrell Road Newquay Cornwall TR7 3DX	CL64331	Freehold
Watergate Bay Hotel Limited	43 Mount Wise Newquay Cornwall TR7 2BL	CL56549	Freehold

EXECUTION VERSION

Schedule 3 – Shares

Name of Chargor	Subsidiary	Number and class of shares	Details of nominees (if any) holding legal title to shares
Watergate Bay Hotel Limited	Sands Resort Hotel Limited	75,800 ordinary shares and 865 A ordinary shares	Not applicable
Watergate Bay Hotel Limited	Beach Retreat Holidays Limited	95 ordinary A shares	Not applicable
Watergate Bay Hotel Limited	The Extreme Academy Limited	50,000 ordinary A shares	Not applicable
Watergate Bay Hotel	Another Place Limited	751 preference shares	Not applicable

EXECUTION VERSION

Schedule 4 - Assigned Agreements

Chargor	Details of Agreement	Date of Agreement	Parties
Watergate Bay Hotel Limited	Share purchase agreement between	On or around the date of this Deed	(1) Watergate Bay Hotel Limited and (2) David Nicholas Malcolm and others as the sellers
Watergate Bay Hotel Limited	Vendor Loan Agreement	On or around the date of this Deed	(1) Watergate Bay Hotel Limited, (2) David Nicholas Malcolm and Susan Hodges and (3) Sands Resort Hotel Limited

Schedule 5 – Form of notice for Assigned Agreements

[On relevant Chargar's notepaper.]

To: ** *[insert name and address of counterparty]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

- 1 We refer to the ** *[specify the relevant Assigned Agreement]* dated **
between us and you (the **Agreement**)
- 2 We notify you that:
 - (a) under a debenture dated ** between, among others, us and **
Barclays Bank PLC as security agent (the **Security Agent**) we have assigned to the
Security Agent for the benefit of itself and certain other banks and financial
institutions (together with the Security Agent, the **Secured Parties**) all our right, title
and interest in and to, and all benefits accruing under, the Agreement as security for
certain obligations owed to the Secured Parties;
 - (b) we may not agree to amend or terminate the Agreement without the prior written
consent of the Security Agent;
 - (c) until you receive written notice to the contrary from the Security Agent, you may
continue to deal with us in relation to the Agreement and credit all moneys to which
we are entitled under the Agreement to the following account in our name: **
[insert details of account]. After receipt of such written notice from the Security Agent
we will cease to have any right to deal with you in relation to the Agreement and from
that time you should deal only with the Security Agent; and
 - (d) you are authorised to disclose information relating to the Agreement to the Security
Agent on request.
- 3 We request that you:
 - (a) after receipt of written notice in accordance with paragraph 2(c), ensure that all
moneys to which we are entitled under the Agreement are credited to the account of
the Security Agent specified in that notice (and are not paid to us);
 - (b) give the Security Agent written notice of any breach of the Agreement as soon as you
become aware of it; and
 - (c) give the Security Agent not less than 30 days' written notice of your giving notice to
terminate the Agreement.

EXECUTION VERSION

4 Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm that you:

- (a) agree to the terms of this notice and to act in accordance with its provisions;
- (b) have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party; and
- (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Agreement.

5 The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

[insert name of Chargor]

Copy to: Security Agent

[On acknowledgement copy]

To: ***[insert name and address of Security Agent]***

Copy to: ***[insert name and address of Chargor]***

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[insert name of counterparty]

Date: **

Schedule 6 – Form of notice for Insurances

[On relevant Chargor's notepaper.]

To: ** *[insert name and address of insurance company]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

- 1 We refer to the ** *[specify the relevant insurance policy]* dated **
between us and you (the **Policy**)

- 2 We notify you that:
 - (a) under a debenture dated ** between, among others, us and **
Barclays Bank PLC as security agent (the **Security Agent**) we have assigned to the
Security Agent for the benefit of itself and certain other banks and financial
institutions (together with the Security Agent, the **Secured Parties**) all our right, title
and interest in and to, and all benefits accruing under, the Policy as security for
certain obligations owed to the Secured Parties;

 - (b) we may not agree to amend or terminate the Policy without the prior written consent
of the Security Agent;

 - (c) until you receive written notice to the contrary from the Security Agent, you may
continue to deal with us in relation to the Policy and credit all moneys to which we are
entitled under the Policy to the following account in our name: ** *[insert
details of account]*. After receipt of such written notice from the Security Agent we will
cease to have any right to deal with you in relation to the Policy and from that time
you should deal only with the Security Agent; and

 - (d) you are authorised to disclose information relating to the Policy to the Security Agent
on request.

- 3 We request that you:
 - (a) after receipt of written notice in accordance with paragraph 2(c), ensure that all
moneys to which we are entitled under the Policy are credited to the account of the
Security Agent specified in that notice (and are not paid to us);

 - (b) note on the Policy the Security Agent's security interest under the Debenture; and

 - (c) give the Security Agent not less than 30 days' written notice of your giving notice to
terminate] the Policy or allowing the Policy to lapse.

- 4 Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to
us) to confirm that you:
 - (a) agree to the terms of this notice and to act in accordance with its provisions;

EXECUTION VERSION

- (b) have not received notice that we have assigned our rights under the Policy to a third party or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party; and
- (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Policy.

5 The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

[insert name of Chargor]

Copy to: Security Agent

[On acknowledgement copy]

To: **[insert name and address of Security Agent]**

Copy to: **[insert name and address of Borrower]** [(on behalf of all the Chargors)]

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[insert name of insurance company]

Date: **

Schedule 7 – Form of notice for Derivative Contracts

[On relevant Chargar's notepaper.]

To: ** *[insert name and address of counterparty]*

Attention: **

Date: **

Dear Sirs

Notice of charge

- 1 We refer to the ** *[specify the relevant Derivative Contract]* dated **
between us and you (the **Agreement**)
- 2 We notify you that:
 - (a) under a debenture dated ** between, among others, us and **
Barclays Bank PLC as security agent (the **Security Agent**) we have granted to the
Security Agent for the benefit of itself and certain other banks and financial
institutions (together with the Security Agent, the **Secured Parties**) a fixed charge
over our right to receive all moneys payable under the Agreement as security for
certain obligations owed to the Secured Parties;
 - (b) we may not agree to amend or terminate the Agreement without the prior written
consent of the Security Agent; and
 - (c) you are authorised to disclose information relating to the Agreement to the Security
Agent on request.
- 3 We request that you:
 - (a) ensure that all moneys payable to us under the Agreement are credited to an account
nominated by the Security Agent (and are not paid to us);
 - (b) give the Security Agent written notice of any breach of the Agreement as soon as you
become aware of it; and
 - (c) give the Security Agent not less than 30 days' written notice of your giving notice to
terminate the Agreement or any transaction entered into under the Agreement.
- 4 Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to
us) to confirm that you:
 - (a) agree to the terms of this notice and to act in accordance with its provisions; and
 - (b) have not received notice that we have assigned our rights under the Agreement to a
third party or created any other interest (whether by way of security or otherwise) in
the Agreement in favour of a third party.

EXECUTION VERSION

5 The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

[insert name of Chargor]

Copy to: Security Agent

[On acknowledgement copy]

To: ***[insert name and address of Security Agent]***

Copy to: ***[insert name and address of Chargor]***

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[insert name of counterparty]

Date: **

Schedule 8 – Forms of letter to and from the Account Bank

Part 1 – Notice to Account Bank regarding the Controlled Account(s)

[On relevant Chargor's notepaper.]

[This form of notice is drafted on the basis that the relevant Chargor has a single Controlled Account. If any Chargor has more than one Controlled Account, make appropriate drafting adjustments. Delete this note and any other square bracketed notes in italics below before the notice is signed by the relevant Chargor and sent to the Account Bank.]

To: ** [insert name and address of Account Bank]

Date: **

Dear Sirs

Debenture dated [] between (among others) [Chargor] and Barclays Bank PLC as security agent (the Debenture)**

We refer to the account which we hold with you numbered **, sort code **, as it may from time to time be re-designated or re-numbered (the **Controlled Account**).

We are writing to give you notice of certain rights in respect of the Controlled Account that we have granted to Barclays bank PLC in its capacity as security trustee for certain secured parties (the **Bank**).

Under the Debenture we have [charged by way of fixed charge in favour of][assigned absolutely to] the Bank all amounts standing to the credit of the Controlled Account from time to time (the **Deposit**) and all of our right, title and interest in, and relating to, the Controlled Account.

["...we have [charged by way of fixed charge in favour of][assigned absolutely to] the Security Agent...." Delete whichever square bracketed option is inappropriate (see Clause 3.6 (Controlled Accounts) and remove the square brackets from the option which is appropriate.)

Regardless of any previous authorisations or instructions which we may have given you and without making any enquiry as to the justification for the matter, we irrevocably authorise and instruct you:

- (a) to disclose to the Bank any information relating to us, the Controlled Account and the Deposit which the Bank may from time to time request you to disclose to it;
- (b) to hold the Deposit to the order of the Bank, and not permit the whole or any part of the Deposit to be withdrawn by us;
- (c) to pay or release all or any part of the Deposit, and generally to act in relation to the Deposit, only in accordance with the written instructions of the Bank;

EXECUTION VERSION

- (d) to comply with the terms of any written notice or instructions in any way relating to or purporting to relate to the Controlled Account or the Deposit which you may receive from the Bank[; and
- (e) not, without the prior written consent of the Bank, to renew or roll over the Deposit for a fixed period exceeding [three][six] months].

The instructions and authorisations contained in this letter may not be revoked or varied without the written agreement of the Bank.

This letter is governed by English law.

Please confirm your agreement to the above by sending an acknowledgement to the Bank in the form attached, with a copy to ourselves.

Yours faithfully,

.....

for and on behalf of ** [Chargor]

copy: [Security Agent]

EXECUTION VERSION

Part 2 – Notice to Account Bank regarding the Accounts

[On relevant Chargor's notepaper.]

To: ** *[insert name and address of Account Bank]*

Date: **

Dear Sirs

Debenture dated [] between (among others) [Chargor] and Barclays Bank PLC (the Debenture)**

- 1 We refer to the follows accounts we hold with you, as they may from time to time be re-designated or re-numbered:
 - (a) *[insert Account Number/Sort Code for each Account held by the relevant Chargor];*
 - (b) **(the **Accounts**).
- 2 We are writing to give you notice of certain rights in respect of the Accounts that we have granted to Barclays Bank PLC in its capacity as security trustee for certain secured parties (the **Bank**).
- 3 Under the Debenture we have charged to the Bank all amounts standing to the credit of each Account from time to time (each a **Deposit** and together the **Deposits**) and all of our right, title and interest in, and relating to, each Account.
- 4 We notify you that:
 - (a) after you have received notice from the Bank under paragraph 6 below, we may not withdraw any moneys from any Account without first obtaining the prior written consent of the Bank;
 - (b) there is a prohibition in the Debenture on the creation of any further security interest over any Account; and
 - (c) you are authorised to disclose information relating to the Accounts to the Bank on the request of the Bank.
- 5 After you have received notice from the Bank under paragraph 6 below, we irrevocably authorise and instruct you to:
 - (a) hold all moneys from time to time standing to the credit of each Account to the order of the Bank; and
 - (b) pay all or any part of those moneys to the Bank (or as it may direct) promptly following receipt of written instructions from the Bank to that effect.

EXECUTION VERSION

6 By counter-signing this notice the Bank confirms that you may accept instructions from us to make withdrawals from each Account (without prejudice to any restrictions on our right to make such withdrawals under the Amended Facilities Agreement referred to in the Debenture) until such time as the Bank shall notify you (with a copy to us) in writing that its permission is withdrawn.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Bank.

This letter is governed by English law.

Please confirm your agreement to the above by sending an acknowledgement to the Bank in the form attached, with a copy to ourselves.

Yours faithfully,

.....

[Chargor]

.....

Barclays Bank PLC (*Security Agent*)

Part 3 – Form of acknowledgements from Account Bank

[On Account Bank's notepaper]

[When preparing the form of acknowledgement letter to attach to a notice, delete/amend the references to "[Controlled Account]" below as appropriate depending on the Account(s) to which the notice refers. Delete this note and any other square bracketed notes in italics below before the form of acknowledgement is sent to the Account Bank.]

To: ** *[insert name and address of Security Agent]*

Attention: **

Date: **

Dear Sirs

Debenture dated [] between (among others) [Chargor] and Barclays Bank PLC as security agent (the Debenture)**

We acknowledge receipt of a notice (the **Notice**) from ** (the **Chargor**) dated ** of the security granted by the Chargor to the Bank over the [Controlled Account][Accounts] under the Debenture.

Words defined in the Notice have the same meaning in this letter.

We confirm that:

- (a) we acknowledge receipt of the Notice and accept the authorisations and instructions contained in the Notice and we undertake to comply with its terms;
- (b) we have not received notice of:
 - (i) any other assignment of or encumbrance over the [Controlled Account][Accounts] or [the][any] Deposit; or
 - (ii) any interest, claim or right in or to them by any third party,

and we shall promptly give you notice of any such actual, potential or asserted assignment, encumbrance, interest, claim or right of which we become aware; and
- (c) we do not, and will not, hold or otherwise have the benefit of any security interest or other encumbrance over the [Controlled Account][Accounts] or [the][any] Deposit other than in our capacity as Security Agent for the Secured Parties referred to in the Debenture¹; and
- (d) we will not exercise any right of combination, consolidation, merger or set-off which we may have in respect of the [Controlled Account][Accounts] except for the netting of credit and debit balances pursuant to current account netting arrangements expressly permitted under the Finance Documents (as that term applies in the Debenture) or if:

¹ Only include if Account Bank is same as Security Agent.

EXECUTION VERSION

- (i) at the time of exercising that right, we are a Secured Party (as that term applies in the Debenture);
- (ii) we exercise that right in respect of an obligation which purports to be secured under the Debenture; and
- (iii) we exercise that right pursuant to, or in accordance with, the terms of the Finance Documents (as that term applies in the Debenture).

We are aware that you are relying on this letter in connection with your rights under the Debenture.

This letter is governed by English law.

Yours faithfully,

.....
for and on behalf of ** [Account Bank]

copy: [Chargor]

Schedule 9 – Form of Security Accession Deed

Security Accession Deed

Dated

Between

- (1) ** Limited, a company incorporated under the laws of [England and Wales] with registered number ** (the **New Chargor**);
- (2) Watergate Bay Hotel Limited, a company incorporated under the laws of England and Wales with registered number 03709185 (the **Borrower**); and
- (3) Barclays Bank PLC as trustee for itself and the Secured Parties (the **Security Agent**) .

Recitals

This deed is supplemental to a debenture dated ** between, among others, the Original Chargors and the Security Agent (as supplemented and amended from time to time, the **Debenture**).

This deed witnesses

1 Definitions and interpretation

1.1 Definitions

Words and expressions defined in the Debenture shall have the same meanings in this Deed.

1.2 Construction

The principles of construction set out in clause 1.2 (*Construction*) of the Debenture shall apply to this Deed, insofar as they are relevant to it, as they apply to the Debenture.

2 Accession of New Chargor

The New Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor except that:

- (a) where any representation or obligation of the Chargors in the Debenture applies on, or by reference to, the date of the Debenture, that representation or obligation shall, for the New Chargor, apply on, or by reference to, the date of this Deed instead;
- (b) where any representation or obligation of the Chargors in the Debenture refers to information in Schedule 2 (*Land charged by way of legal mortgage*) or Schedule 3 (*Shares*) of the Debenture, for the New Chargor that representation or obligation shall be deemed to refer to the information in the equivalent Schedule of this Deed; and
- (c) where any term of the Debenture (including any form of notice in the Debenture) refers to Security created under the Debenture, for the New Chargor, that term shall be deemed to refer to Security created under this Deed.

EXECUTION VERSION

3 Creation of Security

The New Chargor mortgages, charges and assigns to the Security Agent all its business, undertaking and assets on the terms of clause 3 (*Creation of Security*) of the Debenture provided that:

- (a) the Land charged by way of legal mortgage shall be the Land referred to in Schedule 1 (*Land*);
- (b) the Shares mortgaged or (if and to the extent that the mortgage does not take effect as a mortgage) charged by way of fixed charge shall include the Shares referred to in Schedule 2 (*Shares*);
- (c) the Controlled Accounts charged by way of [fixed charge][assignment] shall include those set out in Schedule 3 (*Controlled Accounts*); and
- (d) the Assigned Agreements assigned or (if and to the extent that the assignment does not take effect as an assignment) charged by way of fixed charge shall include the Assigned Agreements set out in Schedule 4 (*Assigned Agreements*).

4 No default

The Borrower confirms that no Default is continuing or will occur as a result of the New Chargor becoming a Chargor.

5 Law

This Deed is governed by English law.

Executed as a deed and delivered on the date appearing at the beginning of this Deed.

Schedule 1 – Land

Schedule 2 – Shares

Schedule 3 – Controlled Accounts

Schedule 4 – Assigned Agreements

EXECUTION VERSION

Signatories to Security Accession Deed [do not sign]

New Chargor

Executed as a deed by)
** [New Chargor])
acting by two Directors or)
one Director and its Secretary)

Director

Director/Secretary

Borrower

Executed as a deed by)
Watergate Bay Hotel Limited)
acting by two Directors or)
one Director and its Secretary)

Director

Director/Secretary

Security Agent

Executed for and on behalf of)
Barclays Bank PLC (*Security Agent*))

EXECUTION VERSION

Signatories to Debenture

Executed as a deed by)
Watergate Bay Hotel Limited)
acting by two Directors)
Director

[Redacted Signature]

William James McInnes Ashworth

Director [Redacted Signature]

Christopher John Naisby

Executed as a deed by)
Sands Resort Hotel Limited)
acting by two Directors)
Director

[Redacted Signature]

William James McInnes Ashworth

Director [Redacted Signature]

Christopher John Naisby

Signed for and on behalf of)
Barclays Bank PLC as Security Agent)

[Redacted Signature]

Neil Brown

.....