

# MR01

## Particulars of a charge

112971/13



**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.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

✓ **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 for**  
You may not use this form to  
register a charge where there is no  
instrument Use form MR08

For further information, please  
refer to our guidance at  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

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 the form is 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, scanned and placed on the public record. **Do not send the original.**



\*L4D2GNE9\*  
LD2 04/08/2015 #55  
COMPANIES HOUSE

### 1 Company details

Company number 0 9 1 7 4 1 0 5 ✓  
Company name in full Hotel Collection Hotel No 7 Limited ✓

For official use  
  
→ **Filing 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 2 4 0 7 2 0 1 5 ✓

### 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 Citicorp Trustee Company Limited ✓  
as Security Trustee (as trustee for each of the Secured Parties)

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****Brief description**

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

The Mortgaged Properties being land on the east side of Shrigley Road, Pott Shrigley, title number CH275087 and the other Mortgaged Properties as specified in the instrument  
Please refer to the instrument for further details

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

**5****Other charge or fixed security**

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

☒ Yes☐ No**6****Floating charge**

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

☒ Yes Continue☐ 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 company from creating further security that will rank equally with or ahead of the charge?  
Please tick the appropriate box

☒ Yes☐ No**8****Trustee statement <sup>1</sup>**

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

☐

<sup>1</sup> This statement may be filed after the registration of the charge (use form MR06)

**9****Signature**

Please sign the form here

Signature

Signature

X *Clifford Clence* X

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

# MR01

## Particulars of a charge



### Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Laurence Wong 70-40558587**

Company name **Clifford Chance LLP (via CH London Counter)**

Address **10 Upper Bank Street**

Post town **London**

County/Region

Postcode **E 1 4 5 J J**

Country **United Kingdom**

DX **149120 Canary Wharf 3**

Telephone **020 7006 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](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.companieshouse.gov.uk)**



FILE COPY

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 9174105

Charge code: 0917 4105 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th July 2015 and created by HOTEL COLLECTION HOTEL NO. 7 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th August 2015.

h/c.

Given at Companies House, Cardiff on 10th August 2015



Companies House



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

**C L I F F O R D  
C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

DATED 24 JULY 2015

THE PERSONS LISTED IN SCHEDULE 1  
AS CHARGORS

IN FAVOUR OF

CITICORP TRUSTEE COMPANY LIMITED  
AS THE SECURITY TRUSTEE

---

SECURITY AGREEMENT

---

We hereby certify this  
to be a true copy of the  
original  
Signed CLIFFORD CHANCE LLP  
Clifford Chance LLP  
10 Upper Bank Street  
London E14 5JW

Date: 4 AUGUST 2015

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**THIS AGREEMENT** is made by way of deed on 24 July 2015 by

- (1) **THE PERSONS** listed in Schedule 1 (*Chargors*) (each a "**Chargor**") in favour of
- (2) **CITICORP TRUSTEE COMPANY LIMITED** as trustee for each of the Secured Parties (the "**Security Trustee**")

**IT IS AGREED** as follows

## 1 **DEFINITIONS AND INTERPRETATION**

### 1.1 **Definitions**

In this Agreement

"**Administration Event**" means

- (a) the presentation of an application or petition to the court for the making of an administration order in relation to a **Chargor**, or
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a **Chargor** or files such a notice with the court

"**Assigned Loans**" means each and every sum paid or payable from time to time by a **Chargor** to another **Chargor** and any other sum from time to time paid or payable by any member of the Puma Group for the time being to any **Chargor**

"**Facilities Agreement**" means the Facilities Agreement dated 26 February 2014 as supplemented by a supplemental agreement dated 15 May 2014 and as amended and restated on 18 June 2015, between, the Borrower, the Arrangers, the Agent, the Security Trustee and the Lenders (each as defined in that agreement as amended, varied, novated or supplemented from time to time)

"**Investment**" means all Shares (other than the Relevant Shares), securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships and all warrants, options and rights to subscribe for any investment whether held directly by or to the order of any **Chargor** or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system)

"**Mortgaged Property**" means the freehold and leasehold property specified in Schedule 2 (*Mortgaged Property*)

"**New Holdco**" means LSREF III Wight Hotel Investments Limited, a private limited company incorporated and registered in Ireland with company number 542634 and having its registered office at First Floor, 25-28 Adelaide Road, Dublin 2, Ireland

"**New Topco**" means LSREF III Wight Hotel Holdings Limited, a private limited company incorporated and registered in Ireland with company number 542282 and having its registered office at First Floor, 25-28 Adelaide Road, Dublin 2, Ireland.



**"Puma Group"** means LSREF III Wight Hotel Investments Limited (registered in Ireland with registered number 542634) and all of its Subsidiaries from time to time

**"Real Property"** means (including as provided in Clause 1.5 (*Real Property*)), the Mortgaged Property and any present or future freehold or leasehold or immoveable property and any other interest in land or buildings and all rights relating thereto in which any Chargor has an interest

**"Receiver"** means a receiver, receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Security Assets and that term will include any appointee made under a joint or several appointment

**"Related Rights"** means, in relation to any asset

- (a) the proceeds of sale or rental of any part of that asset,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset, and
- (d) any moneys and proceeds paid or payable in respect of that asset

**"Relevant Share"** means any share listed in Schedule 3 (*Relevant Share*)

**"Secured Obligations"** has the meaning given to that term in clause 1.1 (*Definitions*) of the Facilities Agreement

**"Secured Parties"** means the Security Trustee, any Receiver or Delegate, the Agent, the Special Advisor and each of the Arrangers and the Lenders

**"Security Assets"** means each of the assets and undertaking of each Chargor which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Trustee by or pursuant to this Agreement

**"Security Period"** means the period beginning on the date of this Agreement and ending on the date on which the Security Trustee (following written confirmation of the same from the Agent) is satisfied that the Secured Obligations have been irrevocably and unconditionally paid or discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor or any other person under any of the Finance Documents

**"Share"** means any stock, share (other than the Relevant Shares), debenture or other security

## 1.1 Terms defined in other Finance Documents

Unless defined in this Agreement, or the context otherwise requires, a term defined in the Facilities Agreement or in any other Finance Document has the same meaning in this Agreement or any notice given under or in connection with this Agreement, as if all references in those defined terms to the Facilities Agreement or other Finance Document were a reference to this Agreement or that notice

## 1.2 Construction

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facilities Agreement will apply as if incorporated in this Agreement or in any notice given under or in connection with this Agreement, as if all references in that Clause to the Facilities Agreement were a reference to this Agreement or that notice

## 1.3 Application of provisions in Facilities Agreement

Clauses 1.4 (*Third party rights*), 8.4 (*Default interest*), 12 (*Tax gross up and indemnities*), 14 (*Other indemnities*), 16 (*Costs and expenses*), 26.1 (*Assignments and transfers by Obligors*), 27.1 (*Trust*), 30 (*Payment mechanics*), 31 (*Notices*), 32.1 (*Accounts*), 32.2 (*Certificates and determinations*), 35 (*Amendments and waivers*) and 39 (*Enforcement*) of the Facilities Agreement are deemed to form part of this Agreement as if expressly incorporated into it and as if all references in those clauses to the Facilities Agreement were references to this Agreement

## 1.4 Protection of Security Trustee

In acting hereunder, the Security Trustee does so in accordance with its terms of appointment under the Facilities Agreement and is entitled to the protections set out therein. In the event of any conflict or inconsistency between the terms of this Agreement and the Facilities Agreement with regard to the rights, powers, discretions or obligations of the Security Trustee, the terms of the Facilities Agreement will prevail.

## 1.5 Real Property

A reference in this Agreement to a mortgage, assignment or charge of any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

## 1.6 Present and future assets

- (a) A reference in this Agreement to any Mortgaged Property, Security Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Security Assets and other assets.
- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Agreement.

**1 7 Disposition of Property**

The terms of the Facilities Agreement and each other Finance Document and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Agreement and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

**1 8 Fixed Security**

Clauses 4 1 (*Mortgage*) to 4 3 (*Fixed charges*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Agreement and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Agreement or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not

**1 9 No obligation**

The Security Trustee shall not be under any obligation in relation to the Security Assets as a consequence of this Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets

**2 COVENANT TO PAY**

Each Chargor covenants with the Security Trustee (as trustee for the Secured Parties) that it shall, on demand of the Security Trustee pay, discharge and satisfy the Secured Obligations in accordance with their respective terms and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms (which indemnified sums shall be treated as Secured Obligations for the purposes of this Agreement)

**3 COMMON PROVISIONS****3 1 Common provisions as to all Security**

All the Security constituted by or pursuant to this Agreement is

- (a) subject to any subsisting Asset Level Security, created with full title guarantee,
- (b) created in favour of the Security Trustee as trustee for the Secured Parties and the Security Trustee shall hold the benefit of this Agreement and the Security created by or pursuant to it on trust for the Secured Parties, and
- (c) continuing security for the payment and discharge of all the Secured Obligations

## **4 FIXED SECURITY**

### **4.1 Mortgage**

Each Chargor (other than New Topco, New Holdco, Hotel Collection Services Limited, Hotel Collection No 2 Limited and Hotel Collection No 13 Limited) charges, by way of legal mortgage, its Mortgaged Property

### **4.2 Assignment by way of Security**

Each Chargor (other than in the case of paragraph (a) and (b) below only, New Topco, New Holdco, Hotel Collection Services Limited, Hotel Collection No 2 Limited and Hotel Collection No 13 Limited) assigns and agrees to assign absolutely (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 4.1 (*Mortgage*)) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same, all of its right, title and interest from time to time in and to each of the following assets

- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting that Chargor in respect of the Real Property and all other Related Rights;
- (b) any sums paid or payable to or for the benefit of that Chargor arising from the letting, use or occupation of all or any part of any Real Property and all sums paid or payable and any other consideration given or to be given for the disposal of an interest in all or part of any Real Property or of any shares in any person which owns or whose subsidiary owns all or any part of any Real Property and the right to make demand for and receive the same,
- (c) any policy of insurance in which that Chargor may at any time have an interest and all proceeds paid or payable thereunder and all other Related Rights,
- (d) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights,
- (e) the Hotel Operating Documents, together with all Related Rights, and
- (f) the Assigned Loans, together with all Related Rights.

### 4.3 Fixed charges

Each Chargor (other than in the case of paragraph (a) and (b) below only, Hotel Collection No. 2 Limited and Hotel Collection No. 13 Limited) charges (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 4.1 (*Mortgage*) or assigned pursuant to Clause 4.2 (*Assignment by way of Security*)) by way of fixed charge, all of its rights, title and interest from time to time in and to each of the following assets

- (a) the Real Property and all Related Rights;
- (b) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights,
- (c) book and other debts and monetary claims owing to it and any proceeds of those debts and claims (including any claims or sums of money deriving from or in relation to any court order or judgment, the proceeds of any insurance policy, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor and all Related Rights,
- (d) patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests to which it is entitled, whether registered or unregistered, the benefit of all applications and its rights to use such assets and all Related Rights,
- (e) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress) and all Related Rights,
- (f) goodwill and rights and claims in relation to its uncalled share capital,
- (g) rights to recover any VAT on any supplies made to it relating to the Security Assets and any sums so recovered,
- (h) in respect of New Holdco, the Relevant Shares and all dividends, interest and other moneys payable in respect of the Relevant Shares and all other Related Rights (whether derived by way of redemption, bonus, preferences, options, substitution, conversion, compensation or otherwise);
- (i) Investments and all Related Rights (including all rights against any trustee, nominee, fiduciary or clearance system in respect of those Investments), and
- (j) each of the assets which are specified in Clause 4.2 (*Assignment by way of Security*)

## 5 FLOATING CHARGE

### 5.1 Floating charge

- (a) Each Chargor charges, by way of floating charge, all present and future assets and undertaking of that Chargor
- (b) The floating charge created by paragraph (a) above shall be deferred in point of priority to all fixed Security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Trustee (as trustee for the Secured Parties) as security for the Secured Obligations
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above

### 5.2 Conversion of floating charge to fixed Security

- (a) The Security Trustee may at any time, while this Agreement is enforceable in accordance with Clause 10 (*Enforcement of security*) by notice to any Chargor convert the floating charge constituted under Clause 5.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice
- (b) In addition, without prejudice to any law which may have a similar effect, the floating charge constituted under Clause 5.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge if
  - (i) any Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facilities Agreement), over any of the Security Assets,
  - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets,
  - (iii) an Administration Event occurs,
  - (iv) a Receiver is appointed over all or any of the Security Assets,
  - (v) a meeting is convened for the passing of a resolution for the voluntary winding-up of any Chargor,
  - (vi) a petition is presented for the compulsory winding-up of any Chargor,
  - (vii) a provisional liquidator is appointed to any Chargor, or
  - (viii) a resolution is passed or an order is made for the dissolution or reorganisation of any Chargor,or any analogous procedure or step is taken in any jurisdiction

## 6 PROVISIONS AS TO SECURITY AND PERFECTION

### 6.1 Negative pledge and restriction on dealings

Except where agreed in writing by the Security Trustee or as permitted under the Finance Documents, no Chargor will at any time during the Security Period create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets

### 6.2 Implied covenants for title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 4 (*Fixed Security*) or 5 (*Floating charge*)
- (b) Subject to any subsisting Asset Level Security, it shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that each Chargor is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment)

### 6.3 Notices of Security: REO Lease Documents and Insurances

- (a) Promptly
  - (i) (and in any event within 1 Business Day of the date of this Agreement), in relation to all Insurances in existence on the date of this Agreement, or
  - (ii) if later, upon any Chargor entering into any Insurances, and
- (b) on an Event of Default which is continuing and upon the request of the Security Trustee, in relation to a REO Lease Document relating to the Real Property,

each Chargor shall

- (i) deliver to the Security Trustee a duly executed notice addressed to each relevant person which is party to any REO Lease Document or Insurances, of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 4 (*Leases and Insurances*) or such other form as the Security Trustee may agree, and
- (ii) use all reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security.

### 6.4 Notice of Security: Accounts

Promptly (and in any event within 1 Business Day of the date of this Agreement) in relation to each account maintained by it which is the subject of the Security created by this Agreement, or if later, upon the opening by it of any other such account, each Chargor shall

- (a) deliver to the Security Trustee a duly executed notice addressed to each relevant bank, building society or other person of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 5 (*Accounts*) or such other form as the Security Trustee may agree, and
- (b) use reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security

#### **6 5 Notice of Security: Assigned Loans**

- (a) Each Chargor acknowledges the Security over the Assigned Loans in accordance with this Agreement
- (b) Other than any Assigned Loan in existence on the date of this Agreement, promptly (and in any event within 1 Business Day of the date of entry into any Assigned Loan), each Chargor shall
  - (i) deliver to the Security Trustee a duly executed notice addressed to each debtor in respect of such Assigned Loans of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 6 (*Assigned Loans*) or such other form as the Security Trustee may agree, and
  - (ii) use reasonable endeavours to procure from the relevant debtor an acknowledgement in the form set out such notice of security

#### **6 6 Notices of Security: other assets**

Except to the extent already provided for in this Clause 6, each Chargor shall join the Security Trustee in giving notices of security (in such form as may be specified by the Security Trustee) in respect of any asset which is the subject of an assignment or charge pursuant to Clause 4 (*Fixed Security*) promptly upon the request of the Security Trustee from time to time and will use reasonable endeavours to procure from each recipient of those notices, an acknowledgement in a form satisfactory to the Security Trustee

#### **6 7 Delivery of share certificates**

New Holdco shall

- (a) promptly (and in any event within 2 Business Days of the date of this Agreement), deposit with (or to the order of) the Security Trustee (or procure the deposit of) all certificates or other documents of title to the Relevant Shares or any Investments (if applicable) and stock transfer forms in respect of the Relevant Shares or any Investments (if applicable) (executed in blank by it or on its behalf), and
- (b) promptly upon the accrual, after or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares or any Investments (or upon acquiring any interest therein), notify the Security Trustee of that occurrence and procure the delivery to the Security Trustee of



- (i) all certificates or other documents of title representing such stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares or Investments, and
- (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Trustee may request

#### **6 8 Deposit of title deeds**

Each Chargor shall

- (a) immediately upon the execution of this Agreement (and upon the acquisition by it of any interest in any Security Asset at any time) deposit (or procure the deposit) with (or held to the order of) the Security Trustee all deeds, certificates and other documents constituting or evidencing title to the Security Assets (or procure that the same are held to the order of the Security Trustee subject to an undertaking in form and substance satisfactory to the Security Trustee (acting on the instructions of the Agent)), and
- (b) deposit with (or to the order of) the Security Trustee at any time thereafter any further such deeds, certificates, instruments of transfer and other documents, promptly upon coming into possession of any of those items

#### **6 9 Application to the Land Registry**

Each Chargor hereby consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship Register of any registered land situated in England and Wales at any time forming part of the Real Property

"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 24 July 2015 in favour of Citicorp Trustee Company Limited referred to in the charges register or their conveyancer "

#### **6 10 Further advances**

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Agreement as if set out in this Agreement
- (b) Each Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Security Assets.

#### **6 11 Assigned Loans**

- (a) No Chargor shall take, or omit to take, any action or steps in respect of the Assigned Loans whereby the Security created under this Agreement might be

terminated, impaired or adversely affected or the ability of the Security Trustee to realise such Security might be prejudiced

- (b) The Security Trustee shall not be under any obligation in relation to any Assigned Loan as a consequence of this Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Assigned Loans

## **7 FURTHER ASSURANCE**

### **7.1 Further assurance**

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below
- (b) Each Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may (acting reasonably in respect of paragraphs (i) and (ii) below only) specify (and in such form as the Security Trustee may (acting reasonably in respect of paragraphs (i) and (ii) below only) require) in favour of the Security Trustee or its nominee(s) to
  - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Agreement (which may include the execution by that Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Trustee provided by or pursuant to this Agreement or by law,
  - (ii) confer on the Security Trustee Security over any asset or undertaking of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Agreement, and/or
  - (iii) while an Event of Default is continuing, facilitate the realisation of the Security Assets

## **8 SHARES AND INVESTMENTS**

### **8.1 Dividends prior to an Event of Default**

Prior to this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the relevant Chargor shall be entitled to receive all dividends, interest and other moneys arising from the Relevant Shares or any Investments

**8.2 Dividends after an Event of Default**

Upon this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the Security Trustee may, at its discretion and election, (in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor) apply all dividends, interest and other moneys arising from the Relevant Shares or any Investments as though they were the proceeds of sale in accordance with Clause 14 (*Application of Moneys*)

**8.3 Voting rights prior to notice**

Prior to the giving of notice pursuant to Clause 8.4 (*Voting rights after notice*), each Chargor shall be entitled to exercise all voting rights in relation to the Relevant Shares

**8.4 Voting rights after notice**

Upon this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the Security Trustee may (but without having any obligation to do so) give notice to the relevant Chargor (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Trustee may (but without having any obligation to do so), in the name of the relevant Chargor or otherwise and without any further consent or authority from the relevant Chargor

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares or any Investments,
- (b) transfer the Relevant Shares or any Investments into the name of the Security Trustee or such nominee(s) of the Security Trustee as it shall require, and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Shares or any Investments including the right, in relation to any company whose shares or other securities are included in the Relevant Shares or any Investments, to concur or participate in
  - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof),
  - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities, and
  - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Trustee thinks fit, and the proceeds of any such action shall form part of the Relevant Shares or any Investments.

**8 5 Shares: Voting rights**

No Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares or any Investments in any manner, or otherwise permit or agree to or concur or participate in any

- (a) variation, renunciation or assignment of the rights attaching to or conferred by all or any part of the Relevant Shares or any Investments, or
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Agreement,

which in the opinion of the Security Trustee could reasonably be expected to prejudice the ability of the Security Trustee to realise, the security created by this Agreement provided that the proceeds of any such action shall form part of the Relevant Shares or Investments

**8 6 Investments and Shares: Payment of calls**

The relevant Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares or Investments, and in any case of default by it in such payment, the Security Trustee may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Security Trustee shall be reimbursed by each Chargor to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement

**8 7 Investments: Exercise of rights**

No Chargor shall exercise any of its rights and powers in relation to any of the Relevant Shares or any Investments in any manner which would prejudice the ability of the Security Trustee to realise, the Security created pursuant to this Agreement

**9 ACCOUNTS**

The Security Trustee may, at any time on behalf of any Secured Party while this Agreement is enforceable in accordance with Clause 10 (*Enforcement of security*), without prior notice

- (a) set-off, transfer or apply any account and any other account which is the subject of the security created by this Agreement and any debt represented thereby in or towards satisfaction of all or any part of the Secured Obligations, and
- (b) demand and receive all and any moneys due under or arising out of each account which has been assigned by this Agreement and exercise all rights that any Chargor was then entitled to exercise in relation to that account or might, but for the terms of this Agreement, exercise

## 10 ENFORCEMENT OF SECURITY

### 10 1 Enforcement

On and at any time after the occurrence of

- (a) an Event of Default (as long as it is continuing), or
- (b) an Administration Event, or
- (c) a request from any Chargor to the Security Trustee that it exercise any of its powers under this Agreement,

the Security created by or pursuant to this Agreement is immediately enforceable and the Security Trustee may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion

- (i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)), and
- (ii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Agreement) on mortgagees and by this Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers

### 10 2 Effect of Moratorium

The Security Trustee shall not be entitled to exercise its rights under Clause 10 1 (*Enforcement*) or Clause 5 2 (*Conversion of floating charge to fixed Security*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

## 11. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

### 11 1 Extension of powers

The power of sale or other disposal conferred on the Security Trustee and on any Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Agreement

### 11 2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Security Trustee of its right to consolidate all or any of the security created by or pursuant to this Agreement with

any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to any Chargor on or at any time after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*)

### 11.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Trustee at any time on or after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*) and the Security Trustee and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply
- (c) No Chargor shall have, at any time during the Security Period, the power pursuant to Section 99 of the Law of Property Act 1925 to make any lease in respect of any Real Property without the prior written consent of the Security Trustee or as permitted pursuant to the terms of the Facilities Agreement.

### 11.4 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Trustee shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargors. For this purpose, a commercially reasonable method of valuing a Security Asset shall be

- (a) in the case of cash, the amount standing to the credit of each account or to the credit of any other account with any bank, building society, financial institution or otherwise, together with any accrued but unposted interest, at the time of appropriation, and
- (b) in the case of any Investments or Relevant Shares, their market value determined by the Security Trustee by reference to a public index, independent valuation or by such other process as the Security Trustee may select

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

## 12 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

### 12.1 Appointment and removal

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee)

- (a) without prior notice to any Chargor
  - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets, or
  - (ii) appoint two or more Receivers of separate parts of the Security Assets, or
  - (iii) remove (so far as it is lawfully able) any Receiver so appointed, or
  - (iv) appoint another person(s) as an additional or replacement Receiver(s), or
  - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986, and
- (b) following notice to any relevant Chargor, appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986

### 12.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 12.1 (*Appointment and removal*) shall be

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver,
- (b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee, and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925)

### 12.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Law of Property Act 1925 (as extended by this Agreement) or otherwise and such powers shall remain

exercisable from time to time by the Security Trustee in respect of any part of the Security Assets

### 13 POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Security Assets (and any assets which, when got in, would be Security Assets in respect of which he was appointed), and as varied and extended by the provisions of this Agreement (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor)

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act,
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which any Chargor itself could do or omit to do, and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of any Chargor) which seem to the Receiver to be incidental or conducive to
  - (i) any of the functions, powers, authorities or discretions conferred on or vested in him,
  - (ii) the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to this Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed), or
  - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Security Assets

### 14 APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Trustee or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Trustee (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Facilities Agreement



## 15 PROTECTION OF PURCHASERS

### 15.1 Consideration

The receipt of the Security Trustee or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Trustee or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit

### 15.2 Protection of purchasers

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings

## 16 POWER OF ATTORNEY

### 16.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (i) carrying out any obligation imposed on any Chargor by this Agreement or any other agreement binding on such Chargor to which the Security Trustee is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets), and
- (ii) enabling the Security Trustee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Agreement or by law (including, after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner of the Security Assets).

### 16.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers

## **17 EFFECTIVENESS OF SECURITY**

### **17.1 Continuing security**

- (a) The Security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Trustee in writing
- (b) No part of the Security from time to time intended to be constituted by this Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

### **17.2 Cumulative rights**

The Security created by or pursuant to this Agreement shall be cumulative, in addition to and independent of every other Security which the Security Trustee or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Agreement.

### **17.3 No prejudice**

The Security created by or pursuant to this Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to each Chargor or any other person, by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Trustee holds the security or by any other thing which might otherwise prejudice that Security.

### **17.4 Remedies and Waivers**

No failure on the part of the Security Trustee to exercise, nor any delay on its part in exercising, any right, power or remedy under this Agreement, shall operate as a waiver of that right, power or remedy or, power constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of the Security Trustee shall be effective unless it is in writing. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

### **17.5 No liability**

None of the Security Trustee, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession, or

- (b) for any loss arising by reason of taking any action permitted by this Agreement or any neglect or default in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part

#### **17.6 Partial invalidity**

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security

#### **17.7 Waiver of defences**

The obligations of, and the Security created by, each Chargor under this Agreement and the rights and remedies provided by this Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 17.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Agreement and whether or not known to that Chargor or any Secured Party including

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person,
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor 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, any Obligor or any other person,
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents),
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations, and

- (g) any insolvency or similar proceedings

#### **17.8 Chargor intent**

Without prejudice to the generality of Clause 17.7 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following acquisitions of any nature; increasing working capital, enabling investor distributions to be made, carrying out restructurings, refinancing existing facilities, refinancing any other indebtedness, making facilities available to new borrowers, any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and any fees, costs and/or expenses associated with any of the foregoing

#### **17.9 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 other person before claiming from any Chargor under this Agreement. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

#### **17.10 Deferral of rights**

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Agreement

- (a) to be indemnified by an Obligor,
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Agreement,
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Agreement by any Secured Party
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Finance Document,
- (e) to exercise any right of set-off against any Obligor, or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party

If each Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Security Trustee to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Obligors under or in connection with this Agreement to be repaid in full and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 14 (*Application of Moneys*)

## **18 PRIOR SECURITY INTERESTS**

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Security Trustee or any Receiver of any power of sale under this Agreement, the Security Trustee may redeem such prior Security or procure the transfer thereof to itself
- (b) The Security Trustee may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Trustee on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment)

## **19 SUBSEQUENT SECURITY INTERESTS**

If the Security Trustee acting in its capacity as trustee or otherwise or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of that Chargor to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be credited or treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received

## **20 SUSPENSE ACCOUNTS**

All moneys received, recovered or realised by the Security Trustee under this Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Trustee's discretion, in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to

withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above

## **21 RELEASE OF SECURITY**

### **21.1 Release of Security**

Upon the expiry of the Security Period, the Security Trustee shall, at the request and cost of each Chargor, release and cancel the security constituted by this Agreement and procure the reassignment to that Chargor of the property and assets assigned to the Security Trustee pursuant to this Agreement, in each case without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees

### **21.2 Clawback**

If the Security Trustee considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged

## **22 SET-OFF**

Each Chargor authorises the Security Trustee (but the Security Trustee shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Trustee to each Chargor and apply any credit balance to which each Chargor is entitled on any account with the Security Trustee in accordance with Clause 14 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account)

## **23 DISCRETION AND DELEGATION**

### **23.1 Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Trustee or any Receiver may, subject to the terms and conditions of the Facilities Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

### **23.2 Delegation**

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Trustee or the Receiver itself

## 24 GOVERNING LAW

This Agreement and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with English law

## 25 JURISDICTION

### 25 1 English courts

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**")

### 25 2 Convenient Forum

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly that no Chargor will argue to the contrary

### 25 3 Exclusive Jurisdiction

Notwithstanding Clause 25 1 (*English courts*), the Security Trustee may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Trustee may take concurrent proceedings in any number of jurisdictions

## 26 COUNTERPARTS

This Agreement 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 Agreement

## 27 LIMITED RECOURSE

- (a) Notwithstanding any other provision of the Finance Documents, the recourse of the Secured Parties to New Topco and New Holdco in respect of any amounts owing under the Finance Documents is limited to (i) the Security Assets, (ii) the amounts that are paid to or recovered by New Topco and/or New Holdco (as applicable) or any other person claiming through or on behalf of New Topco and/or New Holdco (as applicable) under or in relation to the Security Assets, and (iii) any other assets of New Topco and New Holdco (together such sums and proceeds, the "**Recourse Amounts**")
- (b) The Secured Parties agree that they will look solely to the Recourse Amounts for the payment and discharge of amounts owing by New Topco and/or New Holdco (as applicable) in respect of any amounts owing under the Finance Documents. The Secured Parties will not take any judicial or other steps or proceedings or exercise any other right or remedy that they might otherwise have against New Topco and/or New Holdco (as applicable) or any of its assets (other than any assets which are the subject of Security created by the

Security Documents) in respect of any amounts due under this Agreement except for

- (i) steps or proceedings in relation to the recovery of Recourse Amounts or the exercise of any enforcement rights under the Security Documents provided that in connection therewith the Secured Parties shall not initiate insolvency, bankruptcy or similar proceedings in relation to New Topco and/or New Holdco (as applicable) except to the extent permitted under subparagraph (ii) below,
  - (ii) the Secured Parties proving or lodging a claim in any insolvency, bankruptcy or similar proceedings in relation to New Topco and/or New Holdco (as applicable) or in the winding up, dissolution or any similar proceeding of or in relation to New Topco and/or New Holdco (as applicable) which in any such case is initiated by a person other than a Secured Party or which is initiated by a Secured Party in relation to the recovery of Recourse Amounts in circumstances where New Topco and/or New Holdco (as applicable) has creditors other than a Secured Party and is balance sheet insolvent or its contingent liabilities exceed its assets, or
  - (iii) the Secured Parties taking proceedings to obtain a declaration or other judgment order as to the obligations or liabilities of New Topco and/or New Holdco (as applicable) under this Agreement but only to the extent such declaration or other judgment order is expressly limited to recoveries of Recourse Amounts
- (c) Notwithstanding anything to the contrary in this Agreement, no recourse under any obligation, covenant or agreement of any Secured Party shall be had against New Topco and/or New Holdco (as applicable) except to the extent of Recourse Amounts
- (d) The obligations of New Topco and/or New Holdco (as applicable) under this Agreement are solely the corporate obligations of New Topco and/or New Holdco (as applicable). No recourse shall be had for the payment of any amount owing by New Topco and/or New Holdco (as applicable) under or in connection with this Agreement, or for the payment by New Topco and/or New Holdco (as applicable) of any other obligation or claim of, or against New Topco and/or New Holdco (as applicable) arising out of or based on this Agreement, against any shareholder, employee, officer, director, Affiliate or agent of New Topco and/or New Holdco (as applicable), and all personal liability for breaches by New Topco and/or New Holdco (as applicable) of any of such obligations, covenants or agreements, either at law or by statute or constitution is hereby expressly waived by the Secured Parties

On the first date (the "**Extinguishment Date**") on which all present and future, actual and contingent Recourse Amounts have been realised in full, any unsatisfied amounts owing from New Topco and New Holdco to the Secured Parties shall be automatically waived and extinguished. Notwithstanding anything to the contrary in this Clause 27 (*Limited Recourse*), the obligations of New Topco and/or New Holdco (as applicable) under this Agreement shall remain owing and default interest will



accrue in accordance with the provisions of the Finance Documents on any amount which would, but for this Clause 27 (*Limited Recourse*), have been due and payable under this Agreement as if such amount had been due and payable, up to and including the Extinguishment Date. For the avoidance of doubt, any accrued default interest which is not paid by the application of Recourse Amounts on or prior to the Extinguishment Date shall also be extinguished on the Extinguishment Date in accordance with this Clause 27 (*Limited Recourse*).

**THIS AGREEMENT** has been executed as, and is intended to take effect as, a deed by each Chargor and has been signed by the Security Trustee on the date written on the first page of this Agreement.

**SCHEDULE 1  
CHARGORS**

<b>Name</b>	<b>Jurisdiction</b>	<b>Registered Number</b>
LSREF III Wight Hotel Holdings Limited	Ireland	542282
LSREF III Wight Hotel Investments Limited	Ireland	542634
Hotel Collection Services Limited	England & Wales	09174178
Hotel Collection No 1 Limited	England & Wales	09173742
Hotel Collection No 2 Limited	England & Wales	09173889
Hotel Collection No 3 Limited	England & Wales	09174014
Hotel Collection No 4 Limited	England & Wales	09174106
Hotel Collection No 5 Limited	England & Wales	09174110
Hotel Collection No 6 Limited	England & Wales	09174142
Hotel Collection No 7 Limited	England & Wales	09174105
Hotel Collection No 8 Limited	England & Wales	09174141
Hotel Collection No 9 Limited	England & Wales	09174159
Hotel Collection No 11 Limited	England & Wales	09174168
Hotel Collection No 12 Limited	England & Wales	09173883
Hotel Collection No 13 Limited	England & Wales	09173933

<b>Name</b>	<b>Jurisdiction</b>	<b>Registered Number</b>
Hotel Collection No 14 Limited	England & Wales	09174100
Hotel Collection No 18 Limited	England & Wales	09174161

**SCHEDULE 2**  
**MORTGAGED PROPERTY**

<b>Chargor Name</b>	<b>Property Description</b>	<b>Title Number</b>
Hotel Collection Hotel No 1 Limited (09173742)	Hanover International Hotel & Club, Watling Street, Hinckley LE10 3JA	LT218080
Hotel Collection Hotel No 3 Limited (09174014)	Land and buildings known as Majestic Hotel, Ripon Road, Harrogate HG1 2HU	NYK182137
Hotel Collection Hotel No 4 Limited (09174106)	Land and buildings known as The Oxford Hotel, Godstow Road, Wolvercote, Oxford OX2 8AL	(i) ON15968 (ii) ON225400
Hotel Collection Hotel No 5 Limited (09174110)	Walton Hall, Walton, Warwick CV35 9HU	WK337667
Hotel Collection Hotel No 6 Limited (09174142)	(i) The Imperial Hotel and land on the south west side of Parkhill Road, Torquay  (ii) Land lying to the south of Park Hill Road, Torquay	(i) DN404359 (ii) DN110255
Hotel Collection Hotel No 7 Limited (09174105)	(i) Land on the east side of Shrigley Road, Pott Shrigley  (ii) and (iii) Land on the north side of Shrigley Road, Pott Shrigley  (iv) Land and buildings lying to the north west of Bakestonedale Road, Pott Shrigley  (v) The Oakridge, Shrigley Road, Pott Shrigley	(i) CH275087 (ii) CH308438 (iii) CH317568 (iv) CH405482 (v) CH407024
Hotel Collection Hotel No 8 Limited (09174141)	The Old Ship Hotel, Kings Road, Brighton, BN1 1NR	ESX261231
Hotel Collection Hotel No 9 Limited (09174159)	Land and buildings known as the Imperial Hotel, Promenade, Blackpool FY1	LA475240

Chargor Name	Property Description	Title Number
	2HB	
Hotel Collection Hotel No 11 Limited (091174168)	Land and buildings known as the Billesley Manor Hotel	WK383792
Hotel Collection Hotel No 12 Limited (09173883)	Barcelo Daventry Hotel, Drayton Way, Daventry, NN11 0SG	(i) NN140114 (ii) NN141549
Hotel Collection Hotel No 14 Limited (09174100)	(i) Redworth Hall Hotel & Country Club, Redworth, Newton Aycliffe DL5 6NL  (ii) Land and buildings to the South of High Road, Redworth  (iii) Land on the West Side of Main Street, Darlington	(i) DU133881 (ii) DU135179 (iii) DU139625
Hotel Collection Hotel No 18 Limited (09174100)	(i) The Angel Hotel, Castle Street, Cardiff CF10 1SZ  (ii) Land lying to the South of Castle Street, Cardiff	(i) WA87715 (ii) WA718950

**SCHEDULE 3**  
**RELEVANT SHARES**

<b>Company in which shares are held</b>	<b>Registration Number</b>	<b>Chargor</b>	<b>Number/class of shares</b>
Hotel Collection Services Limited	09174178	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 1 Limited	09173742	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 2 Limited	09173889	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 3 Limited	09174014	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 4 Limited	09174106	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 5 Limited	09174110	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 6 Limited	09174142	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 7 Limited	09174105	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 8 Limited	09174141	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No.9 Limited	09174159	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 11 Limited	09174168	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1

<b>Company in which shares are held</b>	<b>Registration Number</b>	<b>Chargor</b>	<b>Number/class of shares</b>
Hotel Collection No 12 Limited	09173883	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 13 Limited	09173933	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 14 Limited	09174100	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 18 Limited	09174161	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1

**SCHEDULE 4  
LEASES AND INSURANCES**

**PART A  
NOTICE OF SECURITY: LEASES**

To [Headlease holder/Tenant]

Date: [ ]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over all our right, interests and benefits in and to the [*describe Lease (date/term/parties/premises)*] (including all moneys payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "**Lease**").

We will remain liable to perform all our obligations under the Lease and the Security Trustee is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease

Please note that

- 1 all remedies provided for under the Lease or available at law or in equity are exercisable by, or at the direction of, the Security Trustee, and
- 2 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Lease (including all rights to compel performance) belong to, and are exercisable by, or at the direction of, the Security Trustee

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

[*Chargor Name*]



**PART B**  
**NOTICE OF SECURITY: INSURANCES**

To           [Insurer]

Date       [   ]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over all our right, interests and benefits in, and to the [*describe Insurances including policy number*] effected by us or on our behalf in relation to the risk to [*describe Property*] (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**")

We will remain liable to perform all our obligations under the Policy and the Security Trustee is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy.

With effect from your receipt of this notice we irrevocably instruct and authorise you to

- 1       [make all payments and claims in excess of £250,000 under or arising from the Policy to the account called "LSREF III Wight Limited – Collection Account",]<sup>1</sup>
- 2       name the Security Trustee as co-insured and loss payee on the Policy,<sup>2</sup> and
- 3       disclose to the Security Trustee, without further approval from us, such information regarding the Policy as the Security Trustee may from time to time request and to send it copies of all notices issued by you under the Policy

Please note that

- 1       all remedies provided for under the Policy or available at law or in equity are exercisable by the Security Trustee, and
- 2       all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Policy (including all rights to compel performance) belong to, and are exercisable by or at the direction of, the Security Trustee.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us.

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<sup>1</sup> To be included other than for public liability and third party liability insurance policies

<sup>2</sup> Other than public liability and third party liability insurances

**PART C**  
**ACKNOWLEDGEMENT OF NOTICE OF SECURITY**

To Citicorp Trustee Company Limited as Security Trustee

Date [ ]

Dear Sirs

We confirm receipt of a notice dated [ ] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all of the Chargor's rights, interest and benefit in and to the [Lease/Policy] (as specified in that notice) to which we are a party

We confirm that

- (a) we will comply with the terms of such notice, and
- (b) we have not received notice of any prior security over, or interest of any third party in, (other than [*insert details of existing Asset Level Security*]) the [Lease/Policy]

We further confirm that

- 1 [*Insurances and Leases*: no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Trustee,]
- 2 no termination of such rights, interests or benefits will be effective unless we have given the Security Trustee 30 days' written notice of the proposed termination, specifying the action necessary to avoid such termination, [and]
- 3 the Chargor will remain liable to perform all its obligations under the [Lease/Policy] and the Security Trustee is under no obligation of any kind whatsoever under the [Lease/Policy] nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the [Lease/Policy][ ], and]
- 4 [*Insurances* no breach or default on the part of the Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of that breach to the Security Trustee specifying how to make good that breach ]

[*Insurances* We confirm that we have made all necessary arrangements for all future payments payable under the Policy to be made into the account specified in the notice ]

[*Insurances* We confirm that we have made all necessary arrangements for the Security Trustee to be named as co-insured and loss payee ]<sup>3</sup>

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<sup>3</sup> Other than public liability and third party liability insurances

[*Insurances* We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Policy ]

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Yours faithfully

[Headlease holder/Tenant/Insurer]

cc [*Chargor Name*]

**SCHEDULE 5  
ACCOUNTS**

**PART A  
NOTICE OF SECURITY TO ACCOUNT BANK**

To [Bank or other financial institution holding the account]

Date [ ]

Dear Sirs

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over any accounts and all moneys (including interest) from time to time standing to the credit of the accounts listed below and the debt or debts represented thereby

The account[s] maintained with you [is/are]

Account Name[s] [ ]  
Sort Code[s] [ ]  
Account No[s] [ ]

We further instruct and authorise you to act only in accordance with the Security Trustee's instructions following receipt by you of a notice issued by the Security Trustee of the occurrence of an Event of Default or an Administration Event or a request from any Chargor to the Security Trustee that it exercise any of its powers under the Security Agreement. Until such notice is received by you, we are authorised by the Security Trustee to receive, withdraw or otherwise transfer any credit balance from time to time on [*specify account*]

We irrevocably instruct and authorise you to disclose to the Security Trustee without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to any accounts maintained with you from time to time as the Security Trustee may request you to disclose to it

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us

Yours faithfully

[*Chargor Name*]

**PART B**  
**ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK**

To Citicorp Trustee Company Limited as Security Trustee

Date [ ]

Dear Sirs

We confirm receipt of a notice dated [ ] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all moneys (including interest) from time to time standing to the credit of the Chargor's account[s] (as specified in that notice) (the "**Account[s]**") which [is/are] maintained with us and the debt or debts represented thereby

We confirm that:

- (a) we will comply with the terms of that notice, and
- (b) we have not received notice of any prior security over or interest of any third party in [any of] the Account[s] We confirm that we will not, without the Security Trustee's prior written consent, amend or vary any rights attaching to the Account[s] (other than [*insert details of existing Asset Level Security*])

We will act only in accordance with the instructions given by persons authorised by the Security Trustee and we shall send all statements and other notices given by us relating to the Account to the Security Trustee

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales

Yours faithfully

[Bank or other financial institution holding the Account]

cc [*Chargor Name*]

**SCHEDULE 6  
ASSIGNED CONTRACTS**

**PART A  
NOTICE OF ASSIGNMENT**

To [ ]

Date [ ]

Dear Sirs,

We give you notice that by a Security Agreement dated [•] July 2015 we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all our right, title and interest in and to all moneys payable by you to us in respect of [*details of relevant inter-company loan/Hotel Operating Document*] and all payments by you to us arising under it (the "**Contract**")

We shall continue to be solely responsible for the performance of our obligations under or in connection with the Contract and the Security Trustee is under no obligation of any kind whatsoever under the Contract nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Contract.

With effect from the date of your receipt of this notice

- (a) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Payments continue to shall be exercisable by, or at the direction of, [*insert name of Chargor*];
- (b) all payments by you to us under or arising from the Contract (the "**Payments**") shall be paid to [*insert name of Chargor*] in accordance with the terms of the Contract, and
- (c) all remedies in respect of the Contract shall be exercisable by [*insert name of Chargor*],

in each case unless you receive written notification from the Security Trustee to the contrary

- 2 You are authorised and instructed, without requiring further approval from us, to provide the Security Trustee with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Security Trustee as well as to us
- 3. These instructions may not be revoked, nor may the terms of the Contract be amended, varied, waived or terminated, without the prior written consent of the Security Trustee (other than or permitted by the terms of the Finance Documents)
- 4 Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Trustee at [ ] marked for the attention of [ ]

- 5 This notice and any non-contractual obligations arising out of or in connection with it are governed by English law

Yours faithfully,

For and on behalf of

[*ChargorName*]

1

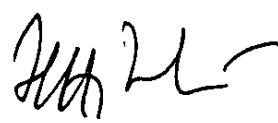




**Chargors**

**EXECUTED and DELIVERED** for and on behalf of  
and as a **DEED** of  
**LSREF III WIGHT HOTEL  
HOLDINGS LIMITED**  
by its lawfully appointed attorney

**Jeffrey Johnston**



in the presence of

Witness Signature



Witness Name

**Thomas S. Bather**

Witness Address

**1st Floor, 25-28 Adelaide Road, Dublin 2,  
Ireland.**

**Legal Assistant**

Witness Occupation

**EXECUTED and DELIVERED** for and on behalf of  
and as a **DEED** of  
**LSREF III WIGHT HOTEL  
INVESTMENTS LIMITED**  
by its lawfully appointed attorney

**Jeffrey Johnston**



in the presence of

Witness Signature



Witness Name

**Thomas S. Bather**

Witness Address

**1st Floor, 25-28 Adelaide Road, Dublin 2,  
Ireland.**

**Legal Assistant**

Witness Occupation

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION SERVICES** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.1 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.2 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.3 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS):  
Address:

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.4 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.5 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.6 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.7 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS).  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.8 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS):  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.9 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.11** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.12** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.13** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.14** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.18** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**Security Trustee**

Signed by )  
**CITICORP TRUSTEE COMPANY** )  
**LIMITED** )  
acting by its attorney )

Witnessed by  
Name  
Address

**C L I F F O R D  
C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

DATED 24 JULY 2015

THE PERSONS LISTED IN SCHEDULE 1  
AS CHARGORS

IN FAVOUR OF

CITICORP TRUSTEE COMPANY LIMITED  
AS THE SECURITY TRUSTEE

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SECURITY AGREEMENT

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**THIS AGREEMENT** is made by way of deed on 24 July 2015 by:

- (1) **THE PERSONS** listed in Schedule 1 (*Chargors*) (each a "**Chargor**") in favour of
- (2) **CITICORP TRUSTEE COMPANY LIMITED** as trustee for each of the Secured Parties (the "**Security Trustee**")

**IT IS AGREED** as follows

## **1 DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement.

**"Administration Event"** means:

- (a) the presentation of an application or petition to the court for the making of an administration order in relation to a **Chargor**; or
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a **Chargor** or files such a notice with the court

**"Assigned Loans"** means each and every sum paid or payable from time to time by a **Chargor** to another **Chargor** and any other sum from time to time paid or payable by any member of the Puma Group for the time being to any **Chargor**

**"Facilities Agreement"** means the Facilities Agreement dated 26 February 2014 as supplemented by a supplemental agreement dated 15 May 2014 and as amended and restated on 18 June 2015, between, the Borrower, the Arrangers, the Agent, the Security Trustee and the Lenders (each as defined in that agreement as amended, varied, novated or supplemented from time to time).

**"Investment"** means all Shares (other than the Relevant Shares), securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships and all warrants, options and rights to subscribe for any investment whether held directly by or to the order of any **Chargor** or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system)

**"Mortgaged Property"** means the freehold and leasehold property specified in Schedule 2 (*Mortgaged Property*).

**"New Holdco"** means LSREF III Wight Hotel Investments Limited, a private limited company incorporated and registered in Ireland with company number 542634 and having its registered office at First Floor, 25-28 Adelaide Road, Dublin 2, Ireland.

**"New Topco"** means LSREF III Wight Hotel Holdings Limited, a private limited company incorporated and registered in Ireland with company number 542282 and having its registered office at First Floor, 25-28 Adelaide Road, Dublin 2, Ireland

**"Puma Group"** means LSREF III Wight Hotel Investments Limited (registered in Ireland with registered number 542634) and all of its Subsidiaries from time to time

**"Real Property"** means (including as provided in Clause 1.5 (*Real Property*)), the Mortgaged Property and any present or future freehold or leasehold or immovable property and any other interest in land or buildings and all rights relating thereto in which any Chargor has an interest

**"Receiver"** means a receiver, receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Security Assets and that term will include any appointee made under a joint or several appointment.

**"Related Rights"** means, in relation to any asset

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset

**"Relevant Share"** means any share listed in Schedule 3 (*Relevant Share*)

**"Secured Obligations"** has the meaning given to that term in clause 1.1 (*Definitions*) of the Facilities Agreement.

**"Secured Parties"** means the Security Trustee, any Receiver or Delegate, the Agent, the Special Advisor and each of the Arrangers and the Lenders.

**"Security Assets"** means each of the assets and undertaking of each Chargor which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Trustee by or pursuant to this Agreement.

**"Security Period"** means the period beginning on the date of this Agreement and ending on the date on which the Security Trustee (following written confirmation of the same from the Agent) is satisfied that the Secured Obligations have been irrevocably and unconditionally paid or discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor or any other person under any of the Finance Documents

**"Share"** means any stock, share (other than the Relevant Shares), debenture or other security

## 1.1 Terms defined in other Finance Documents

Unless defined in this Agreement, or the context otherwise requires, a term defined in the Facilities Agreement or in any other Finance Document has the same meaning in this Agreement or any notice given under or in connection with this Agreement, as if all references in those defined terms to the Facilities Agreement or other Finance Document were a reference to this Agreement or that notice.

## 1.2 Construction

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facilities Agreement will apply as if incorporated in this Agreement or in any notice given under or in connection with this Agreement, as if all references in that Clause to the Facilities Agreement were a reference to this Agreement or that notice.

## 1.3 Application of provisions in Facilities Agreement

Clauses 1.4 (*Third party rights*), 8.4 (*Default interest*), 12 (*Tax gross up and indemnities*), 14 (*Other indemnities*), 16 (*Costs and expenses*), 26.1 (*Assignments and transfers by Obligors*), 27.1 (*Trust*), 30 (*Payment mechanics*), 31 (*Notices*), 32.1 (*Accounts*), 32.2 (*Certificates and determinations*), 35 (*Amendments and waivers*) and 39 (*Enforcement*) of the Facilities Agreement are deemed to form part of this Agreement as if expressly incorporated into it and as if all references in those clauses to the Facilities Agreement were references to this Agreement.

## 1.4 Protection of Security Trustee

In acting hereunder, the Security Trustee does so in accordance with its terms of appointment under the Facilities Agreement and is entitled to the protections set out therein. In the event of any conflict or inconsistency between the terms of this Agreement and the Facilities Agreement with regard to the rights, powers, discretions or obligations of the Security Trustee, the terms of the Facilities Agreement will prevail.

## 1.5 Real Property

A reference in this Agreement to a mortgage, assignment or charge of any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

## 1.6 Present and future assets

- (a) A reference in this Agreement to any Mortgaged Property, Security Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Security Assets and other assets.
- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Agreement.

## 1.7 **Disposition of Property**

The terms of the Facilities Agreement and each other Finance Document and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Agreement and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

## 1.8 **Fixed Security**

Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed charges*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Agreement and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Agreement or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not

## 1.9 **No obligation**

The Security Trustee shall not be under any obligation in relation to the Security Assets as a consequence of this Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

## 2 **COVENANT TO PAY**

Each Chargor covenants with the Security Trustee (as trustee for the Secured Parties) that it shall, on demand of the Security Trustee pay, discharge and satisfy the Secured Obligations in accordance with their respective terms and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms (which indemnified sums shall be treated as Secured Obligations for the purposes of this Agreement)

## 3 **COMMON PROVISIONS**

### 3.1 **Common provisions as to all Security**

All the Security constituted by or pursuant to this Agreement is:

- (a) subject to any subsisting Asset Level Security, created with full title guarantee;
- (b) created in favour of the Security Trustee as trustee for the Secured Parties and the Security Trustee shall hold the benefit of this Agreement and the Security created by or pursuant to it on trust for the Secured Parties, and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

## **4 FIXED SECURITY**

### **4.1 Mortgage**

Each Chargor (other than New Topco, New Holdco, Hotel Collection Services Limited, Hotel Collection No 2 Limited and Hotel Collection No 13 Limited) charges, by way of legal mortgage, its Mortgaged Property.

### **4.2 Assignment by way of Security**

Each Chargor (other than in the case of paragraph (a) and (b) below only, New Topco, New Holdco, Hotel Collection Services Limited, Hotel Collection No. 2 Limited and Hotel Collection No 13 Limited) assigns and agrees to assign absolutely (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 4.1 (*Mortgage*) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same, all of its right, title and interest from time to time in and to each of the following assets:

- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting that Chargor in respect of the Real Property and all other Related Rights,
- (b) any sums paid or payable to or for the benefit of that Chargor arising from the letting, use or occupation of all or any part of any Real Property and all sums paid or payable and any other consideration given or to be given for the disposal of an interest in all or part of any Real Property or of any shares in any person which owns or whose subsidiary owns all or any part of any Real Property and the right to make demand for and receive the same,
- (c) any policy of insurance in which that Chargor may at any time have an interest and all proceeds paid or payable thereunder and all other Related Rights;
- (d) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights,
- (e) the Hotel Operating Documents, together with all Related Rights, and
- (f) the Assigned Loans, together with all Related Rights

#### 4.3 Fixed charges

Each Chargor (other than in the case of paragraph (a) and (b) below only, Hotel Collection No. 2 Limited and Hotel Collection No. 13 Limited) charges (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 4.1 (*Mortgage*) or assigned pursuant to Clause 4.2 (*Assignment by way of Security*)) by way of fixed charge, all of its rights, title and interest from time to time in and to each of the following assets:

- (a) the Real Property and all Related Rights;
- (b) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights,
- (c) book and other debts and monetary claims owing to it and any proceeds of those debts and claims (including any claims or sums of money deriving from or in relation to any court order or judgment, the proceeds of any insurance policy, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor and all Related Rights,
- (d) patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests to which it is entitled, whether registered or unregistered, the benefit of all applications and its rights to use such assets and all Related Rights;
- (e) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress) and all Related Rights,
- (f) goodwill and rights and claims in relation to its uncalled share capital;
- (g) rights to recover any VAT on any supplies made to it relating to the Security Assets and any sums so recovered;
- (h) in respect of New Holdco, the Relevant Shares and all dividends, interest and other moneys payable in respect of the Relevant Shares and all other Related Rights (whether derived by way of redemption, bonus, preferences, options, substitution, conversion, compensation or otherwise),
- (i) Investments and all Related Rights (including all rights against any trustee, nominee, fiduciary or clearance system in respect of those Investments); and
- (j) each of the assets which are specified in Clause 4.2 (*Assignment by way of Security*).

## 5 FLOATING CHARGE

### 5.1 Floating charge

- (a) Each Chargor charges, by way of floating charge, all present and future assets and undertaking of that Chargor.
- (b) The floating charge created by paragraph (a) above shall be deferred in point of priority to all fixed Security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Trustee (as trustee for the Secured Parties) as security for the Secured Obligations
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above.

### 5.2 Conversion of floating charge to fixed Security

- (a) The Security Trustee may at any time, while this Agreement is enforceable in accordance with Clause 10 (*Enforcement of security*) by notice to any Chargor convert the floating charge constituted under Clause 5.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice
- (b) In addition, without prejudice to any law which may have a similar effect, the floating charge constituted under Clause 5.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge if:
  - (i) any Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facilities Agreement), over any of the Security Assets,
  - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets,
  - (iii) an Administration Event occurs;
  - (iv) a Receiver is appointed over all or any of the Security Assets,
  - (v) a meeting is convened for the passing of a resolution for the voluntary winding-up of any Chargor,
  - (vi) a petition is presented for the compulsory winding-up of any Chargor,
  - (vii) a provisional liquidator is appointed to any Chargor, or
  - (viii) a resolution is passed or an order is made for the dissolution or reorganisation of any Chargor,
 or any analogous procedure or step is taken in any jurisdiction

## 6 PROVISIONS AS TO SECURITY AND PERFECTION

### 6.1 Negative pledge and restriction on dealings

Except where agreed in writing by the Security Trustee or as permitted under the Finance Documents, no Chargor will at any time during the Security Period create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets

### 6.2 Implied covenants for title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 4 (*Fixed Security*) or 5 (*Floating charge*)
- (b) Subject to any subsisting Asset Level Security, it shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that each Chargor is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment)

### 6.3 Notices of Security: REO Lease Documents and Insurances

- (a) Promptly
  - (i) (and in any event within 1 Business Day of the date of this Agreement), in relation to all Insurances in existence on the date of this Agreement, or
  - (ii) if later, upon any Chargor entering into any Insurances; and
- (b) on an Event of Default which is continuing and upon the request of the Security Trustee, in relation to a REO Lease Document relating to the Real Property,

each Chargor shall.

- (i) deliver to the Security Trustee a duly executed notice addressed to each relevant person which is party to any REO Lease Document or Insurances, of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 4 (*Leases and Insurances*) or such other form as the Security Trustee may agree, and
- (ii) use all reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security

### 6.4 Notice of Security: Accounts

Promptly (and in any event within 1 Business Day of the date of this Agreement) in relation to each account maintained by it which is the subject of the Security created by this Agreement, or if later, upon the opening by it of any other such account, each Chargor shall



- (a) deliver to the Security Trustee a duly executed notice addressed to each relevant bank, building society or other person of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 5 (*Accounts*) or such other form as the Security Trustee may agree; and
- (b) use reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security.

#### 6.5 Notice of Security: Assigned Loans

- (a) Each Chargor acknowledges the Security over the Assigned Loans in accordance with this Agreement
- (b) Other than any Assigned Loan in existence on the date of this Agreement, promptly (and in any event within 1 Business Day of the date of entry into any Assigned Loan), each Chargor shall:
  - (i) deliver to the Security Trustee a duly executed notice addressed to each debtor in respect of such Assigned Loans of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 6 (*Assigned Loans*) or such other form as the Security Trustee may agree, and
  - (ii) use reasonable endeavours to procure from the relevant debtor an acknowledgement in the form set out such notice of security

#### 6.6 Notices of Security: other assets

Except to the extent already provided for in this Clause 6, each Chargor shall join the Security Trustee in giving notices of security (in such form as may be specified by the Security Trustee) in respect of any asset which is the subject of an assignment or charge pursuant to Clause 4 (*Fixed Security*) promptly upon the request of the Security Trustee from time to time and will use reasonable endeavours to procure from each recipient of those notices, an acknowledgement in a form satisfactory to the Security Trustee

#### 6.7 Delivery of share certificates

New Holdco shall:

- (a) promptly (and in any event within 2 Business Days of the date of this Agreement), deposit with (or to the order of) the Security Trustee (or procure the deposit of) all certificates or other documents of title to the Relevant Shares or any Investments (if applicable) and stock transfer forms in respect of the Relevant Shares or any Investments (if applicable) (executed in blank by it or on its behalf), and
- (b) promptly upon the accrual, after or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares or any Investments (or upon acquiring any interest therein), notify the Security Trustee of that occurrence and procure the delivery to the Security Trustee of:

- (i) all certificates or other documents of title representing such stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares or Investments; and
- (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Trustee may request

#### **6 8 Deposit of title deeds**

Each Chargor shall:

- (a) immediately upon the execution of this Agreement (and upon the acquisition by it of any interest in any Security Asset at any time) deposit (or procure the deposit) with (or held to the order of) the Security Trustee all deeds, certificates and other documents constituting or evidencing title to the Security Assets (or procure that the same are held to the order of the Security Trustee subject to an undertaking in form and substance satisfactory to the Security Trustee (acting on the instructions of the Agent)); and
- (b) deposit with (or to the order of) the Security Trustee at any time thereafter any further such deeds, certificates, instruments of transfer and other documents, promptly upon coming into possession of any of those items.

#### **6 9 Application to the Land Registry**

Each Chargor hereby consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship Register of any registered land situated in England and Wales at any time forming part of the Real Property

"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 24 July 2015 in favour of Citicorp Trustee Company Limited referred to in the charges register or their conveyancer "

#### **6 10 Further advances**

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Agreement as if set out in this Agreement
- (b) Each Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Security Assets.

#### **6 11 Assigned Loans**

- (a) No Chargor shall take, or omit to take, any action or steps in respect of the Assigned Loans whereby the Security created under this Agreement might be

terminated, impaired or adversely affected or the ability of the Security Trustee to realise such Security might be prejudiced.

- (b) The Security Trustee shall not be under any obligation in relation to any Assigned Loan as a consequence of this Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Assigned Loans

## **7. FURTHER ASSURANCE**

### **7.1 Further assurance**

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below
- (b) Each Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may (acting reasonably in respect of paragraphs (i) and (ii) below only) specify (and in such form as the Security Trustee may (acting reasonably in respect of paragraphs (i) and (ii) below only) require) in favour of the Security Trustee or its nominee(s) to
  - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Agreement (which may include the execution by that Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Trustee provided by or pursuant to this Agreement or by law;
  - (ii) confer on the Security Trustee Security over any asset or undertaking of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Agreement; and/or
  - (iii) while an Event of Default is continuing, facilitate the realisation of the Security Assets

## **8. SHARES AND INVESTMENTS**

### **8.1 Dividends prior to an Event of Default**

Prior to this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the relevant Chargor shall be entitled to receive all dividends, interest and other moneys arising from the Relevant Shares or any Investments

**8.2 Dividends after an Event of Default**

Upon this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the Security Trustee may, at its discretion and election, (in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor) apply all dividends, interest and other moneys arising from the Relevant Shares or any Investments as though they were the proceeds of sale in accordance with Clause 14 (*Application of Moneys*).

**8.3 Voting rights prior to notice**

Prior to the giving of notice pursuant to Clause 8.4 (*Voting rights after notice*), each Chargor shall be entitled to exercise all voting rights in relation to the Relevant Shares

**8.4 Voting rights after notice**

Upon this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the Security Trustee may (but without having any obligation to do so) give notice to the relevant Chargor (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Trustee may (but without having any obligation to do so), in the name of the relevant Chargor or otherwise and without any further consent or authority from the relevant Chargor

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares or any Investments;
- (b) transfer the Relevant Shares or any Investments into the name of the Security Trustee or such nominee(s) of the Security Trustee as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Shares or any Investments including the right, in relation to any company whose shares or other securities are included in the Relevant Shares or any Investments, to concur or participate in.
  - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
  - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
  - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Trustee thinks fit, and the proceeds of any such action shall form part of the Relevant Shares or any Investments.

**8 5 Shares: Voting rights**

No Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares or any Investments in any manner, or otherwise permit or agree to or concur or participate in any:

- (a) variation, renunciation or assignment of the rights attaching to or conferred by all or any part of the Relevant Shares or any Investments; or
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Agreement,

which in the opinion of the Security Trustee could reasonably be expected to prejudice the ability of the Security Trustee to realise, the security created by this Agreement provided that the proceeds of any such action shall form part of the Relevant Shares or Investments.

**8 6 Investments and Shares: Payment of calls**

The relevant Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares or Investments, and in any case of default by it in such payment, the Security Trustee may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Security Trustee shall be reimbursed by each Chargor to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement

**8 7 Investments: Exercise of rights**

No Chargor shall exercise any of its rights and powers in relation to any of the Relevant Shares or any Investments in any manner which would prejudice the ability of the Security Trustee to realise, the Security created pursuant to this Agreement

**9 ACCOUNTS**

The Security Trustee may, at any time on behalf of any Secured Party while this Agreement is enforceable in accordance with Clause 10 (*Enforcement of security*), without prior notice.

- (a) set-off, transfer or apply any account and any other account which is the subject of the security created by this Agreement and any debt represented thereby in or towards satisfaction of all or any part of the Secured Obligations; and
- (b) demand and receive all and any moneys due under or arising out of each account which has been assigned by this Agreement and exercise all rights that any Chargor was then entitled to exercise in relation to that account or might, but for the terms of this Agreement, exercise.

## 10. ENFORCEMENT OF SECURITY

### 10.1 Enforcement

On and at any time after the occurrence of

- (a) an Event of Default (as long as it is continuing), or
- (b) an Administration Event, or
- (c) a request from any Chargor to the Security Trustee that it exercise any of its powers under this Agreement,

the Security created by or pursuant to this Agreement is immediately enforceable and the Security Trustee may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion:

- (i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)), and
- (ii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Agreement) on mortgagees and by this Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers.

### 10.2 Effect of Moratorium

The Security Trustee shall not be entitled to exercise its rights under Clause 10.1 (*Enforcement*) or Clause 5.2 (*Conversion of floating charge to fixed Security*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

## 11. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

### 11.1 Extension of powers

The power of sale or other disposal conferred on the Security Trustee and on any Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Agreement.

### 11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Security Trustee of its right to consolidate all or any of the security created by or pursuant to this Agreement with

any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to any Chargor on or at any time after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*).

### 11.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Trustee at any time on or after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*) and the Security Trustee and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply
- (c) No Chargor shall have, at any time during the Security Period, the power pursuant to Section 99 of the Law of Property Act 1925 to make any lease in respect of any Real Property without the prior written consent of the Security Trustee or as permitted pursuant to the terms of the Facilities Agreement.

### 11.4 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Trustee shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargors. For this purpose, a commercially reasonable method of valuing a Security Asset shall be.

- (a) in the case of cash, the amount standing to the credit of each account or to the credit of any other account with any bank, building society, financial institution or otherwise, together with any accrued but unposted interest, at the time of appropriation, and
- (b) in the case of any Investments or Relevant Shares, their market value determined by the Security Trustee by reference to a public index, independent valuation or by such other process as the Security Trustee may select.

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

## 12 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

### 12.1 Appointment and removal

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee)

- (a) without prior notice to any Chargor
  - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets; or
  - (ii) appoint two or more Receivers of separate parts of the Security Assets; or
  - (iii) remove (so far as it is lawfully able) any Receiver so appointed; or
  - (iv) appoint another person(s) as an additional or replacement Receiver(s), or
  - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986, and
- (b) following notice to any relevant Chargor, appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

### 12.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 12.1 (*Appointment and removal*) shall be.

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925)

### 12.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Law of Property Act 1925 (as extended by this Agreement) or otherwise and such powers shall remain



exercisable from time to time by the Security Trustee in respect of any part of the Security Assets.

### 13. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Security Assets (and any assets which, when got in, would be Security Assets in respect of which he was appointed), and as varied and extended by the provisions of this Agreement (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which any Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of any Chargor) which seem to the Receiver to be incidental or conducive to
  - (i) any of the functions, powers, authorities or discretions conferred on or vested in him,
  - (ii) the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to this Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed), or
  - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Security Assets.

### 14. APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Trustee or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Trustee (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the *Facilities Agreement*

## 15 PROTECTION OF PURCHASERS

### 15.1 Consideration

The receipt of the Security Trustee or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Trustee or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

### 15.2 Protection of purchasers

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings.

## 16 POWER OF ATTORNEY

### 16.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for

- (i) carrying out any obligation imposed on any Chargor by this Agreement or any other agreement binding on such Chargor to which the Security Trustee is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets); and
- (ii) enabling the Security Trustee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Agreement or by law (including, after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner of the Security Assets).

### 16.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers

## **17 EFFECTIVENESS OF SECURITY**

### **17.1 Continuing security**

- (a) The Security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Trustee in writing.
- (b) No part of the Security from time to time intended to be constituted by this Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

### **17.2 Cumulative rights**

The Security created by or pursuant to this Agreement shall be cumulative, in addition to and independent of every other Security which the Security Trustee or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Agreement.

### **17.3 No prejudice**

The Security created by or pursuant to this Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to each Chargor or any other person, by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Trustee holds the security or by any other thing which might otherwise prejudice that Security.

### **17.4 Remedies and Waivers**

No failure on the part of the Security Trustee to exercise, nor any delay on its part in exercising, any right, power or remedy under this Agreement, shall operate as a waiver of that right, power or remedy or, power constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of the Security Trustee shall be effective unless it is in writing. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

### **17.5 No liability**

None of the Security Trustee, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession, or

- (b) for any loss arising by reason of taking any action permitted by this Agreement or any neglect or default in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part

#### 17.6 Partial invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security

#### 17.7 Waiver of defences

The obligations of, and the Security created by, each Chargor under this Agreement and the rights and remedies provided by this Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 17.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Agreement and whether or not known to that Chargor or any Secured Party including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor 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, any Obligor or any other person,
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations, and

- (g) any insolvency or similar proceedings

#### 17.8 **Chargor intent**

Without prejudice to the generality of Clause 17.7 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital, enabling investor distributions to be made, carrying out restructurings, refinancing existing facilities, refinancing any other indebtedness, making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and any fees, costs and/or expenses associated with any of the foregoing

#### 17.9 **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 other person before claiming from any Chargor under this Agreement. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

#### 17.10 **Deferral of rights**

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Agreement.

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Agreement,
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Agreement by any Secured Party
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor, or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party

If each Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Security Trustee to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Obligors under or in connection with this Agreement to be repaid in full and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 14 (*Application of Moneys*).

## 18. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Security Trustee or any Receiver of any power of sale under this Agreement, the Security Trustee may redeem such prior Security or procure the transfer thereof to itself
- (b) The Security Trustee may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor.
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Trustee on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment)

## 19. SUBSEQUENT SECURITY INTERESTS

If the Security Trustee acting in its capacity as trustee or otherwise or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of that Chargor to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be credited or treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

## 20. SUSPENSE ACCOUNTS

All moneys received, recovered or realised by the Security Trustee under this Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Trustee's discretion, in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to

withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

## **21 RELEASE OF SECURITY**

### **21.1 Release of Security**

Upon the expiry of the Security Period, the Security Trustee shall, at the request and cost of each Chargor, release and cancel the security constituted by this Agreement and procure the reassignment to that Chargor of the property and assets assigned to the Security Trustee pursuant to this Agreement, in each case without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees

### **21.2 Clawback**

If the Security Trustee considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged.

## **22 SET-OFF**

Each Chargor authorises the Security Trustee (but the Security Trustee shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Trustee to each Chargor and apply any credit balance to which each Chargor is entitled on any account with the Security Trustee in accordance with Clause 14 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

## **23. DISCRETION AND DELEGATION**

### **23.1 Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Trustee or any Receiver may, subject to the terms and conditions of the Facilities Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

### **23.2 Delegation**

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Trustee or the Receiver itself

## 24. **GOVERNING LAW**

This Agreement and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with English law

## 25. **JURISDICTION**

### 25.1 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**").

### 25.2 **Convenient Forum**

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly that no Chargor will argue to the contrary.

### 25.3 **Exclusive Jurisdiction**

Notwithstanding Clause 25.1 (*English courts*), the Security Trustee may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Trustee may take concurrent proceedings in any number of jurisdictions.

## 26. **COUNTERPARTS**

This Agreement 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 Agreement.

## 27. **LIMITED RECOURSE**

- (a) Notwithstanding any other provision of the Finance Documents, the recourse of the Secured Parties to New Topco and New Holdco in respect of any amounts owing under the Finance Documents is limited to (i) the Security Assets, (ii) the amounts that are paid to or recovered by New Topco and/or New Holdco (as applicable) or any other person claiming through or on behalf of New Topco and/or New Holdco (as applicable) under or in relation to the Security Assets; and (iii) any other assets of New Topco and New Holdco (together such sums and proceeds, the "**Recourse Amounts**").
- (b) The Secured Parties agree that they will look solely to the Recourse Amounts for the payment and discharge of amounts owing by New Topco and/or New Holdco (as applicable) in respect of any amounts owing under the Finance Documents. The Secured Parties will not take any judicial or other steps or proceedings or exercise any other right or remedy that they might otherwise have against New Topco and/or New Holdco (as applicable) or any of its assets (other than any assets which are the subject of Security created by the



Security Documents) in respect of any amounts due under this Agreement except for

- (i) steps or proceedings in relation to the recovery of Recourse Amounts or the exercise of any enforcement rights under the Security Documents provided that in connection therewith the Secured Parties shall not initiate insolvency, bankruptcy or similar proceedings in relation to New Topco and/or New Holdco (as applicable) except to the extent permitted under subparagraph (ii) below,
  - (ii) the Secured Parties proving or lodging a claim in any insolvency, bankruptcy or similar proceedings in relation to New Topco and/or New Holdco (as applicable) or in the winding up, dissolution or any similar proceeding of or in relation to New Topco and/or New Holdco (as applicable) which in any such case is initiated by a person other than a Secured Party or which is initiated by a Secured Party in relation to the recovery of Recourse Amounts in circumstances where New Topco and/or New Holdco (as applicable) has creditors other than a Secured Party and is balance sheet insolvent or its contingent liabilities exceed its assets, or
  - (iii) the Secured Parties taking proceedings to obtain a declaration or other judgment order as to the obligations or liabilities of New Topco and/or New Holdco (as applicable) under this Agreement but only to the extent such declaration or other judgment order is expressly limited to recoveries of Recourse Amounts
- (c) Notwithstanding anything to the contrary in this Agreement, no recourse under any obligation, covenant or agreement of any Secured Party shall be had against New Topco and/or New Holdco (as applicable) except to the extent of Recourse Amounts
- (d) The obligations of New Topco and/or New Holdco (as applicable) under this Agreement are solely the corporate obligations of New Topco and/or New Holdco (as applicable). No recourse shall be had for the payment of any amount owing by New Topco and/or New Holdco (as applicable) under or in connection with this Agreement, or for the payment by New Topco and/or New Holdco (as applicable) of any other obligation or claim of, or against New Topco and/or New Holdco (as applicable) arising out of or based on this Agreement, against any shareholder, employee, officer, director, Affiliate or agent of New Topco and/or New Holdco (as applicable), and all personal liability for breaches by New Topco and/or New Holdco (as applicable) of any of such obligations, covenants or agreements, either at law or by statute or constitution is hereby expressly waived by the Secured Parties

On the first date (the "**Extinguishment Date**") on which all present and future, actual and contingent Recourse Amounts have been realised in full, any unsatisfied amounts owing from New Topco and New Holdco to the Secured Parties shall be automatically waived and extinguished. Notwithstanding anything to the contrary in this Clause 27 (*Limited Recourse*), the obligations of New Topco and/or New Holdco (as applicable) under this Agreement shall remain owing and default interest will

accrue in accordance with the provisions of the Finance Documents on any amount which would, but for this Clause 27 (*Limited Recourse*), have been due and payable under this Agreement as if such amount had been due and payable, up to and including the Extinguishment Date. For the avoidance of doubt, any accrued default interest which is not paid by the application of Recourse Amounts on or prior to the Extinguishment Date shall also be extinguished on the Extinguishment Date in accordance with this Clause 27 (*Limited Recourse*).

**THIS AGREEMENT** has been executed as, and is intended to take effect as, a deed by each Chargor and has been signed by the Security Trustee on the date written on the first page of this Agreement.

**SCHEDULE 1  
CHARGORS**

<b>Name</b>	<b>Jurisdiction</b>	<b>Registered Number</b>
LSREF III Wight Hotel Holdings Limited	Ireland	542282
LSREF III Wight Hotel Investments Limited	Ireland	542634
Hotel Collection Services Limited	England & Wales	09174178
Hotel Collection No 1 Limited	England & Wales	09173742
Hotel Collection No 2 Limited	England & Wales	09173889
Hotel Collection No 3 Limited	England & Wales	09174014
Hotel Collection No.4 Limited	England & Wales	09174106
Hotel Collection No 5 Limited	England & Wales	09174110
Hotel Collection No 6 Limited	England & Wales	09174142
Hotel Collection No.7 Limited	England & Wales	09174105
Hotel Collection No 8 Limited	England & Wales	09174141
Hotel Collection No.9 Limited	England & Wales	09174159
Hotel Collection No.11 Limited	England & Wales	09174168
Hotel Collection No 12 Limited	England & Wales	09173883
Hotel Collection No.13 Limited	England & Wales	09173933

<b>Name</b>	<b>Jurisdiction</b>	<b>Registered Number</b>
Hotel Collection No.14 Limited	England & Wales	09174100
Hotel Collection No 18 Limited	England & Wales	09174161

**SCHEDULE 2**  
**MORTGAGED PROPERTY**

<b>Chargor Name</b>	<b>Property Description</b>	<b>Title Number</b>
Hotel Collection Hotel No 1 Limited (09173742)	Hanover International Hotel & Club, Watling Street, Hinckley LE10 3JA	LT218080
Hotel Collection Hotel No. 3 Limited (09174014)	Land and buildings known as Majestic Hotel, Ripon Road, Harrogate HG1 2HU	NYK182137
Hotel Collection Hotel No 4 Limited (09174106)	Land and buildings known as The Oxford Hotel, Godstow Road, Wolvercote, Oxford OX2 8AL	(i) ON15968 (ii) ON225400
Hotel Collection Hotel No. 5 Limited (09174110)	Walton Hall, Walton, Warwick CV35 9HU	WK337667
Hotel Collection Hotel No 6 Limited (09174142)	(i) The Imperial Hotel and land on the south west side of Parkhill Road, Torquay  (ii) Land lying to the south of Park Hill Road, Torquay	(i) DN404359 (ii) DN110255
Hotel Collection Hotel No 7 Limited (09174105)	(i) Land on the east side of Shrigley Road, Pott Shrigley  (ii) and (iii) Land on the north side of Shrigley Road, Pott Shrigley  (iv) Land and buildings lying to the north west of Bakestonedale Road, Pott Shrigley  (v) The Oakridge, Shrigley Road, Pott Shrigley	(i) CH275087 (ii) CH308438 (iii) CH317568 (iv) CH405482 (v) CH407024
Hotel Collection Hotel No 8 Limited (09174141)	The Old Ship Hotel, Kings Road, Brighton, BN1 1NR	ESX261231
Hotel Collection Hotel No. 9 Limited (09174159)	Land and buildings known as the Imperial Hotel, Promenade, Blackpool FY1	LA475240

Chargor Name	Property Description	Title Number
	2HB	
Hotel Collection Hotel No 11 Limited (091174168)	Land and buildings known as the Billesley Manor Hotel	WK383792
Hotel Collection Hotel No 12 Limited (09173883)	Barcelo Daventry Hotel, Drayton Way, Daventry, NN11 0SG	(i) NN140114 (ii) NN141549
Hotel Collection Hotel No 14 Limited (09174100)	(i) Redworth Hall Hotel & Country Club, Redworth, Newton Aycliffe DL5 6NL  (ii) Land and buildings to the South of High Road, Redworth  (iii) Land on the West Side of Main Street, Darlington	(i) DU133881 (ii) DU135179 (iii) DU139625
Hotel Collection Hotel No. 18 Limited (09174100)	(i) The Angel Hotel, Castle Street, Cardiff CF10 1SZ  (ii) Land lying to the South of Castle Street, Cardiff	(i) WA87715 (ii) WA718950

**SCHEDULE 3**  
**RELEVANT SHARES**

<b>Company in which shares are held</b>	<b>Registration Number</b>	<b>Chargor</b>	<b>Number/class of shares</b>
Hotel Collection Services Limited	09174178	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 1 Limited	09173742	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 2 Limited	09173889	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No.3 Limited	09174014	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 4 Limited	09174106	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 5 Limited	09174110	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 6 Limited	09174142	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 7 Limited	09174105	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No.8 Limited	09174141	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 9 Limited	09174159	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 11 Limited	09174168	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1

<b>Company in which shares are held</b>	<b>Registration Number</b>	<b>Chargor</b>	<b>Number/class of shares</b>
Hotel Collection No 12 Limited	09173883	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 13 Limited	09173933	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 14 Limited	09174100	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 18 Limited	09174161	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1



**SCHEDULE 4  
LEASES AND INSURANCES**

**PART A  
NOTICE OF SECURITY: LEASES**

To: [Headlease holder/Tenant]

Date [ ]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "Security Trustee") as trustee for the Secured Parties over all our right, interests and benefits in and to the [*describe Lease (date/term/parties/premises)*] (including all moneys payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "Lease")

We will remain liable to perform all our obligations under the Lease and the Security Trustee is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease.

Please note that

1. all remedies provided for under the Lease or available at law or in equity are exercisable by, or at the direction of, the Security Trustee, and
2. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Lease (including all rights to compel performance) belong to, and are exercisable by, or at the direction of, the Security Trustee

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

[Chargor Name]

**PART B**  
**NOTICE OF SECURITY: INSURANCES**

To: [Insurer]

Date: [ ]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over all our right, interests and benefits in, and to the [*describe Insurances including policy number*] effected by us or on our behalf in relation to the risk to [*describe Property*] (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**")

We will remain liable to perform all our obligations under the Policy and the Security Trustee is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy.

With effect from your receipt of this notice we irrevocably instruct and authorise you to:

- 1 [make all payments and claims in excess of £250,000 under or arising from the Policy to the account called "LSREF III Wight Limited – Collection Account";]<sup>1</sup>
- 2 name the Security Trustee as co-insured and loss payee on the Policy;<sup>2</sup> and
3. disclose to the Security Trustee, without further approval from us, such information regarding the Policy as the Security Trustee may from time to time request and to send it copies of all notices issued by you under the Policy.

Please note that:

- 1 all remedies provided for under the Policy or available at law or in equity are exercisable by the Security Trustee, and
- 2 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Policy (including all rights to compel performance) belong to, and are exercisable by or at the direction of, the Security Trustee.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us.

<sup>1</sup> To be included other than for public liability and third party liability insurance policies

<sup>2</sup> Other than public liability and third party liability insurances

**PART C**  
**ACKNOWLEDGEMENT OF NOTICE OF SECURITY**

To: Citicorp Trustee Company Limited as Security Trustee

Date [ ]

Dear Sirs

We confirm receipt of a notice dated [ ] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all of the Chargor's rights, interest and benefit in and to the [Lease/Policy] (as specified in that notice) to which we are a party

We confirm that:

- (a) we will comply with the terms of such notice, and
- (b) we have not received notice of any prior security over, or interest of any third party in, (other than [*insert details of existing Asset Level Security*]) the [Lease/Policy]

We further confirm that

- 1 [*Insurances and Leases* no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Trustee,]
- 2 no termination of such rights, interests or benefits will be effective unless we have given the Security Trustee 30 days' written notice of the proposed termination, specifying the action necessary to avoid such termination, [and]
- 3. the Chargor will remain liable to perform all its obligations under the [Lease/Policy] and the Security Trustee is under no obligation of any kind whatsoever under the [Lease/Policy] nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the [Lease/Policy][ ]<sup>3</sup>; and]
- 4. [*Insurances* no breach or default on the part of the Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of that breach to the Security Trustee specifying how to make good that breach ]

[*Insurances* We confirm that we have made all necessary arrangements for all future payments payable under the Policy to be made into the account specified in the notice ]

[*Insurances*. We confirm that we have made all necessary arrangements for the Security Trustee to be named as co-insured and loss payee ]<sup>3</sup>

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<sup>3</sup> Other than public liability and third party liability insurances

[*Insurances* We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Policy.]

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Yours faithfully

[Headlease holder/Tenant/Insurer]

cc [*Chargor Name*]

,

**SCHEDULE 5  
ACCOUNTS**

**PART A  
NOTICE OF SECURITY TO ACCOUNT BANK**

To: [Bank or other financial institution holding the account]

Date: [ ]

Dear Sirs

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over any accounts and all moneys (including interest) from time to time standing to the credit of the accounts listed below and the debt or debts represented thereby.

The account[s] maintained with you [is/are]:

Account Name[s] [ ]  
Sort Code[s] [ ]  
Account No[s] [ ]

We further instruct and authorise you to act only in accordance with the Security Trustee's instructions following receipt by you of a notice issued by the Security Trustee of the occurrence of an Event of Default or an Administration Event or a request from any Chargor to the Security Trustee that it exercise any of its powers under the Security Agreement. Until such notice is received by you, we are authorised by the Security Trustee to receive, withdraw or otherwise transfer any credit balance from time to time on *[specify account]*

We irrevocably instruct and authorise you to disclose to the Security Trustee without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to any accounts maintained with you from time to time as the Security Trustee may request you to disclose to it.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

[Chargor Name]

**PART B**  
**ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK**

To Citicorp Trustee Company Limited as Security Trustee

Date [ ]

Dear Sirs

We confirm receipt of a notice dated [ ] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all moneys (including interest) from time to time standing to the credit of the Chargor's account[s] (as specified in that notice) (the "**Account[s]**") which [is/are] maintained with us and the debt or debts represented thereby

We confirm that.

- (a) we will comply with the terms of that notice, and
- (b) we have not received notice of any prior security over or interest of any third party in [any of] the Account[s] We confirm that we will not, without the Security Trustee's prior written consent, amend or vary any rights attaching to the Account[s] (other than [*insert details of existing Asset Level Security*])

We will act only in accordance with the instructions given by persons authorised by the Security Trustee and we shall send all statements and other notices given by us relating to the Account to the Security Trustee

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales

Yours faithfully

[Bank or other financial institution holding the Account]

cc [*Chargor Name*]

**SCHEDULE 6  
ASSIGNED CONTRACTS**

**PART A  
NOTICE OF ASSIGNMENT**

To: [ ]

Date [ ]

Dear Sirs,

We give you notice that by a Security Agreement dated [•] July 2015 we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "Security Trustee") over all our right, title and interest in and to all moneys payable by you to us in respect of [*details of relevant inter-company loan/Hotel Operating Document*] and all payments by you to us arising under it (the "Contract").

We shall continue to be solely responsible for the performance of our obligations under or in connection with the Contract and the Security Trustee is under no obligation of any kind whatsoever under the Contract nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Contract.

With effect from the date of your receipt of this notice

- (a) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Payments continue to shall be exercisable by, or at the direction of, [*insert name of Chargor*],
- (b) all payments by you to us under or arising from the Contract (the "Payments") shall be paid to [*insert name of Chargor*] in accordance with the terms of the Contract, and
- (c) all remedies in respect of the Contract shall be exercisable by [*insert name of Chargor*],

in each case unless you receive written notification from the Security Trustee to the contrary.

- 2 You are authorised and instructed, without requiring further approval from us, to provide the Security Trustee with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Security Trustee as well as to us
- 3. These instructions may not be revoked, nor may the terms of the Contract be amended, varied, waived or terminated, without the prior written consent of the Security Trustee (other than or permitted by the terms of the Finance Documents).
- 4 Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Trustee at [ ] marked for the attention of [ ].

5. This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

For and on behalf of

[*ChargorName*]



**PART B**  
**ACKNOWLEDGEMENT OF ASSIGNMENT**

To Citicorp Trustee Company Limited as Security Trustee

Date [            ]

Dear Sirs

We confirm receipt of a notice dated [        ] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Citicorp Trustee Company Limited as Security Trustee over all of the Chargor's rights, interest and benefit in and to the Contract described in that notice

We confirm that we will comply with the terms of the notice received from the Chargor and that we have not received notice of any prior security over, or interest of any third party in, the Contract

We further confirm that

- (a) we will comply with the terms of that notice until we receive written notification from you to the contrary
- (b) we have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Contract; and
- (c) no amendment, waiver, release or termination of any rights, interests and benefits in and to Contract shall be effective without your prior written consent (other than as permitted by the terms of the Finance Documents)

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales

For and on behalf of [*relevant counterparty*]

By:                    . . . . .

Dated.              .. . . . . ]

**Chargors**

**EXECUTED** and **DELIVERED** for and on behalf of  
and as a **DEED** of  
**LSREF III WIGHT HOTEL**  
**HOLDINGS LIMITED**  
by its lawfully appointed attorney

in the presence of

Witness Signature. \_\_\_\_\_

Witness Name. \_\_\_\_\_

Witness Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Witness Occupation: \_\_\_\_\_

**EXECUTED** and **DELIVERED** for and on behalf of  
and as a **DEED** of  
**LSREF III WIGHT HOTEL**  
**INVESTMENTS LIMITED**  
by its lawfully appointed attorney

in the presence of

Witness Signature. \_\_\_\_\_

Witness Name. \_\_\_\_\_

Witness Address. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Witness Occupation. \_\_\_\_\_

**EXECUTED AS A DEED** by  
**HOTEL COLLECTION SERVICES**  
**LIMITED**

acting by a director  
in the presence of

)  
)  
)  
)  
)  
*J-111*

Signature of witness: *[Signature]*  
Name (in BLOCK CAPITALS): **SOPHIE SMALL**  
Address: **ALLEN & OVERY LLP**  
**ONE BISHOPS SQUARE**  
**LONDON E1 6AD**  
**www.allenoverv.com**

**EXECUTED AS A DEED** by  
**HOTEL COLLECTION NO.1 LIMITED**

acting by a director  
in the presence of

)  
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)  
*J-111*

Signature of witness: *[Signature]*  
Name (in BLOCK CAPITALS): **SOPHIE SMALL**  
Address: **ALLEN & OVERY LLP**  
**ONE BISHOPS SQUARE**  
**LONDON E1 6AD**

**EXECUTED AS A DEED** by  
**HOTEL COLLECTION NO.2 LIMITED**

acting by a director  
in the presence of

)  
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)  
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)  
*J-111*

Signature of witness: *[Signature]*  
Name (in BLOCK CAPITALS): **SOPHIE SMALL**  
Address: **ALLEN & OVERY LLP**  
**ONE BISHOPS SQUARE**  
**LONDON E1 6AD**  
**www.allenoverv.com**

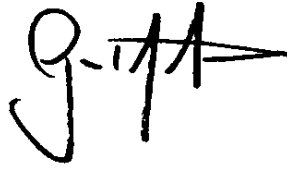
**EXECUTED AS A DEED** by  
**HOTEL COLLECTION NO.3 LIMITED**


acting by a director  
in the presence of

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*J-111*

Signature of witness: *[Signature]*  
Name (in BLOCK CAPITALS): **SOPHIE SMALL**  
Address: **ALLEN & OVERY LLP**  
**ONE BISHOPS SQUARE**  
**LONDON E1 6AD**  
**www.allenoverv.com**

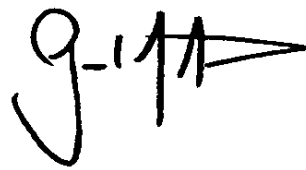
EXECUTED AS A DEED by )  
HOTEL COLLECTION NO.4 LIMITED )  
acting by a director )  
in the presence of. )



Signature of witness   
Name (in BLOCK CAPITALS): SOPHIE SMALL  
Address:

ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD  
[www.allenover.com](http://www.allenover.com)

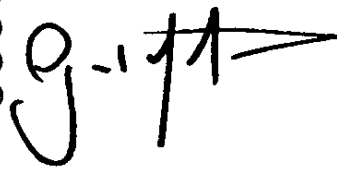
EXECUTED AS A DEED by )  
HOTEL COLLECTION NO.5 LIMITED )  
acting by a director )  
in the presence of. )



Signature of witness:   
Name (in BLOCK CAPITALS): SOPHIE SMALL  
Address:

ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD  
[www.allenover.com](http://www.allenover.com)

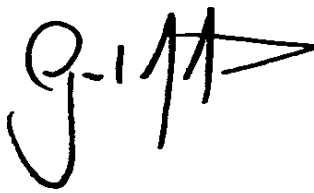
EXECUTED AS A DEED by )  
HOTEL COLLECTION NO.6 LIMITED )  
acting by a director )  
in the presence of. )



Signature of witness   
Name (in BLOCK CAPITALS): SOPHIE SMALL  
Address:

ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD  
[www.allenover.com](http://www.allenover.com)

EXECUTED AS A DEED by )  
HOTEL COLLECTION NO.7 LIMITED )  
acting by a director )  
in the presence of. )



Signature of witness:   
Name (in BLOCK CAPITALS): SOPHIE SMALL  
Address:

ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD  
[www.allenover.com](http://www.allenover.com)

EXECUTED AS A DEED by )  
 HOTEL COLLECTION NO.8 LIMITED )  
 acting by a director )  
 in the presence of: )

Signature of witness.   
 Name (in BLOCK CAPITALS) SOPHIE SMALL  
 Address:

ALLEN & OVERY LLP  
 ONE BISHOPS SQUARE  
 LONDON E1 6AD  
[www.allenover.com](http://www.allenover.com)

EXECUTED AS A DEED by )  
 HOTEL COLLECTION NO.9 LIMITED )  
 acting by a director )  
 in the presence of: )

Signature of witness   
 Name (in BLOCK CAPITALS): SOPHIE SMALL  
 Address:

ALLEN & OVERY LLP  
 ONE BISHOPS SQUARE  
 LONDON E1 6AD

EXECUTED AS A DEED by )  
 HOTEL COLLECTION NO.11 )  
 LIMITED )  
 acting by a director )  
 in the presence of: )

Signature of witness   
 Name (in BLOCK CAPITALS): SOPHIE SMALL  
 Address:

ALLEN & OVERY LLP  
 ONE BISHOPS SQUARE  
 LONDON E1 6AD

EXECUTED AS A DEED by )  
 HOTEL COLLECTION NO.12 )  
 LIMITED )  
 acting by a director )  
 in the presence of: )


Signature of witness:   
 Name (in BLOCK CAPITALS) SOPHIE SMALL  
 Address

ALLEN & OVERY LLP  
 ONE BISHOPS SQUARE  
 LONDON E1 6AD  
[www.allenover.com](http://www.allenover.com)

**EXECUTED AS A DEED by  
HOTEL COLLECTION NO.13  
LIMITED**

acting by a director  
in the presence of

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g-111>

Signature of witness 

Name (in BLOCK CAPITALS). **SOPHIE SMALL**


Address:

ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD  
www.allenover.com

**EXECUTED AS A DEED by  
HOTEL COLLECTION NO.14  
LIMITED**

acting by a director  
in the presence of:

)  
)  
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g-111>

Signature of witness. 

Name (in BLOCK CAPITALS) **SOPHIE SMALL**


Address:

ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD  
www.allenover.com

**EXECUTED AS A DEED by  
HOTEL COLLECTION NO.18  
LIMITED**

acting by a director  
in the presence of.

)  
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)  
)  
g-111>

Signature of witness: 

Name (in BLOCK CAPITALS). **SOPHIE SMALL**

Address

ALLEN & OVERY LLP  
ONE BISHOPS SQUARE  
LONDON E1 6AD  
www.allenover.com

**Security Trustee**

Signed by  
**CITICORP TRUSTEE COMPANY  
LIMITED**  
acting by its attorney

)  
)  
)  
)  
)

Witnessed by:

Name

Address.

**C L I F F O R D  
C H A N C E**

**CLIFFORD CHANCE LLP**

EXECUTION VERSION

DATED 24 JULY 2015

THE PERSONS LISTED IN SCHEDULE 1  
AS CHARGORS

IN FAVOUR OF

CITICORP TRUSTEE COMPANY LIMITED  
AS THE SECURITY TRUSTEE

---

SECURITY AGREEMENT

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**THIS AGREEMENT** is made by way of deed on 24 July 2015 by

- (1) **THE PERSONS** listed in Schedule 1 (*Chargors*) (each a "**Chargor**") in favour of
- (2) **CITICORP TRUSTEE COMPANY LIMITED** as trustee for each of the Secured Parties (the "**Security Trustee**")

**IT IS AGREED** as follows

## **1 DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement

**"Administration Event"** means

- (a) the presentation of an application or petition to the court for the making of an administration order in relation to a **Chargor**, or
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a **Chargor** or files such a notice with the court.

**"Assigned Loans"** means each and every sum paid or payable from time to time by a **Chargor** to another **Chargor** and any other sum from time to time paid or payable by any member of the Puma Group for the time being to any **Chargor**

**"Facilities Agreement"** means the Facilities Agreement dated 26 February 2014 as supplemented by a supplemental agreement dated 15 May 2014 and as amended and restated on 18 June 2015, between, the Borrower, the Arrangers, the Agent, the Security Trustee and the Lenders (each as defined in that agreement as amended, varied, novated or supplemented from time to time)

**"Investment"** means all Shares (other than the Relevant Shares), securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships and all warrants, options and rights to subscribe for any investment whether held directly by or to the order of any **Chargor** or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system)

**"Mortgaged Property"** means the freehold and leasehold property specified in Schedule 2 (*Mortgaged Property*)

**"New Holdco"** means LSREF III Wight Hotel Investments Limited, a private limited company incorporated and registered in Ireland with company number 542634 and having its registered office at First Floor, 25-28 Adelaide Road, Dublin 2, Ireland.

**"New Topco"** means LSREF III Wight Hotel Holdings Limited, a private limited company incorporated and registered in Ireland with company number 542282 and having its registered office at First Floor, 25-28 Adelaide Road, Dublin 2, Ireland.

**"Puma Group"** means LSREF III Wight Hotel Investments Limited (registered in Ireland with registered number 542634) and all of its Subsidiaries from time to time

**"Real Property"** means (including as provided in Clause 1.5 (*Real Property*)), the Mortgaged Property and any present or future freehold or leasehold or immovable property and any other interest in land or buildings and all rights relating thereto in which any Chargor has an interest

**"Receiver"** means a receiver, receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Security Assets and that term will include any appointee made under a joint or several appointment.

**"Related Rights"** means, in relation to any asset

- (a) the proceeds of sale or rental of any part of that asset,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset, and
- (d) any moneys and proceeds paid or payable in respect of that asset

**"Relevant Share"** means any share listed in Schedule 3 (*Relevant Share*)

**"Secured Obligations"** has the meaning given to that term in clause 1.1 (*Definitions*) of the Facilities Agreement

**"Secured Parties"** means the Security Trustee, any Receiver or Delegate, the Agent, the Special Advisor and each of the Arrangers and the Lenders.

**"Security Assets"** means each of the assets and undertaking of each Chargor which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Trustee by or pursuant to this Agreement

**"Security Period"** means the period beginning on the date of this Agreement and ending on the date on which the Security Trustee (following written confirmation of the same from the Agent) is satisfied that the Secured Obligations have been irrevocably and unconditionally paid or discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor or any other person under any of the Finance Documents

**"Share"** means any stock, share (other than the Relevant Shares), debenture or other security

**1.1 Terms defined in other Finance Documents**

Unless defined in this Agreement, or the context otherwise requires, a term defined in the Facilities Agreement or in any other Finance Document has the same meaning in this Agreement or any notice given under or in connection with this Agreement, as if all references in those defined terms to the Facilities Agreement or other Finance Document were a reference to this Agreement or that notice.

**1.2 Construction**

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facilities Agreement will apply as if incorporated in this Agreement or in any notice given under or in connection with this Agreement, as if all references in that Clause to the Facilities Agreement were a reference to this Agreement or that notice.

**1.3 Application of provisions in Facilities Agreement**

Clauses 1.4 (*Third party rights*), 8.4 (*Default interest*), 12 (*Tax gross up and indemnities*), 14 (*Other indemnities*), 16 (*Costs and expenses*), 26.1 (*Assignments and transfers by Obligors*), 27.1 (*Trust*), 30 (*Payment mechanics*), 31 (*Notices*), 32.1 (*Accounts*), 32.2 (*Certificates and determinations*), 35 (*Amendments and waivers*) and 39 (*Enforcement*) of the Facilities Agreement are deemed to form part of this Agreement as if expressly incorporated into it and as if all references in those clauses to the Facilities Agreement were references to this Agreement.

**1.4 Protection of Security Trustee**

In acting hereunder, the Security Trustee does so in accordance with its terms of appointment under the Facilities Agreement and is entitled to the protections set out therein. In the event of any conflict or inconsistency between the terms of this Agreement and the Facilities Agreement with regard to the rights, powers, discretions or obligations of the Security Trustee, the terms of the Facilities Agreement will prevail.

**1.5 Real Property**

A reference in this Agreement to a mortgage, assignment or charge of any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

**1.6 Present and future assets**

- (a) A reference in this Agreement to any Mortgaged Property, Security Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Security Assets and other assets.
- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Agreement.

**1 7 Disposition of Property**

The terms of the Facilities Agreement and each other Finance Document and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Agreement and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

**1 8 Fixed Security**

Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed charges*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Agreement and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Agreement or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not

**1 9 No obligation**

The Security Trustee shall not be under any obligation in relation to the Security Assets as a consequence of this Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets

**2 COVENANT TO PAY**

Each Chargor covenants with the Security Trustee (as trustee for the Secured Parties) that it shall, on demand of the Security Trustee pay, discharge and satisfy the Secured Obligations in accordance with their respective terms and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms (which indemnified sums shall be treated as Secured Obligations for the purposes of this Agreement)

**3. COMMON PROVISIONS****3 1 Common provisions as to all Security**

All the Security constituted by or pursuant to this Agreement is

- (a) subject to any subsisting Asset Level Security, created with full title guarantee,
- (b) created in favour of the Security Trustee as trustee for the Secured Parties and the Security Trustee shall hold the benefit of this Agreement and the Security created by or pursuant to it on trust for the Secured Parties, and
- (c) continuing security for the payment and discharge of all the Secured Obligations

## **4 FIXED SECURITY**

### **4.1 Mortgage**

Each Chargor (other than New Topco, New Holdco, Hotel Collection Services Limited, Hotel Collection No 2 Limited and Hotel Collection No 13 Limited) charges, by way of legal mortgage, its Mortgaged Property

### **4.2 Assignment by way of Security**

Each Chargor (other than in the case of paragraph (a) and (b) below only, New Topco, New Holdco, Hotel Collection Services Limited, Hotel Collection No 2 Limited and Hotel Collection No 13 Limited) assigns and agrees to assign absolutely (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 4.1 (*Mortgage*) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same, all of its right, title and interest from time to time in and to each of the following assets

- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting that Chargor in respect of the Real Property and all other Related Rights,
- (b) any sums paid or payable to or for the benefit of that Chargor arising from the letting, use or occupation of all or any part of any Real Property and all sums paid or payable and any other consideration given or to be given for the disposal of an interest in all or part of any Real Property or of any shares in any person which owns or whose subsidiary owns all or any part of any Real Property and the right to make demand for and receive the same,
- (c) any policy of insurance in which that Chargor may at any time have an interest and all proceeds paid or payable thereunder and all other Related Rights,
- (d) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights,
- (e) the Hotel Operating Documents, together with all Related Rights, and
- (f) the Assigned Loans, together with all Related Rights

#### 4.3 Fixed charges

Each Chargor (other than in the case of paragraph (a) and (b) below only, Hotel Collection No. 2 Limited and Hotel Collection No. 13 Limited) charges (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 4.1 (*Mortgage*) or assigned pursuant to Clause 4.2 (*Assignment by way of Security*)) by way of fixed charge, all of its rights, title and interest from time to time in and to each of the following assets:

- (a) the Real Property and all Related Rights,
- (b) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights,
- (c) book and other debts and monetary claims owing to it and any proceeds of those debts and claims (including any claims or sums of money deriving from or in relation to any court order or judgment, the proceeds of any insurance policy, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor and all Related Rights,
- (d) patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests to which it is entitled, whether registered or unregistered, the benefit of all applications and its rights to use such assets and all Related Rights,
- (e) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress) and all Related Rights,
- (f) goodwill and rights and claims in relation to its uncalled share capital,
- (g) rights to recover any VAT on any supplies made to it relating to the Security Assets and any sums so recovered;
- (h) in respect of New Holdco, the Relevant Shares and all dividends, interest and other moneys payable in respect of the Relevant Shares and all other Related Rights (whether derived by way of redemption, bonus, preferences, options, substitution, conversion, compensation or otherwise);
- (i) Investments and all Related Rights (including all rights against any trustee, nominee, fiduciary or clearance system in respect of those Investments), and
- (j) each of the assets which are specified in Clause 4.2 (*Assignment by way of Security*)

## 5 FLOATING CHARGE

### 5.1 Floating charge

- (a) Each Chargor charges, by way of floating charge, all present and future assets and undertaking of that Chargor
- (b) The floating charge created by paragraph (a) above shall be deferred in point of priority to all fixed Security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Trustee (as trustee for the Secured Parties) as security for the Secured Obligations
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above

### 5.2 Conversion of floating charge to fixed Security

- (a) The Security Trustee may at any time, while this Agreement is enforceable in accordance with Clause 10 (*Enforcement of security*) by notice to any Chargor convert the floating charge constituted under Clause 5.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice
- (b) In addition, without prejudice to any law which may have a similar effect, the floating charge constituted under Clause 5.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge if
  - (i) any Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facilities Agreement), over any of the Security Assets;
  - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets,
  - (iii) an Administration Event occurs,
  - (iv) a Receiver is appointed over all or any of the Security Assets,
  - (v) a meeting is convened for the passing of a resolution for the voluntary winding-up of any Chargor;
  - (vi) a petition is presented for the compulsory winding-up of any Chargor,
  - (vii) a provisional liquidator is appointed to any Chargor, or
  - (viii) a resolution is passed or an order is made for the dissolution or reorganisation of any Chargor,
 or any analogous procedure or step is taken in any jurisdiction



## 6 PROVISIONS AS TO SECURITY AND PERFECTION

### 6.1 Negative pledge and restriction on dealings

Except where agreed in writing by the Security Trustee or as permitted under the Finance Documents, no Chargor will at any time during the Security Period create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets.

### 6.2 Implied covenants for title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 4 (*Fixed Security*) or 5 (*Floating charge*)
- (b) Subject to any subsisting Asset Level Security, it shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that each Chargor is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment)

### 6.3 Notices of Security: REO Lease Documents and Insurances

- (a) Promptly
  - (i) (and in any event within 1 Business Day of the date of this Agreement), in relation to all Insurances in existence on the date of this Agreement, or
  - (ii) if later, upon any Chargor entering into any Insurances, and
- (b) on an Event of Default which is continuing and upon the request of the Security Trustee, in relation to a REO Lease Document relating to the Real Property,

each Chargor shall.

- (i) deliver to the Security Trustee a duly executed notice addressed to each relevant person which is party to any REO Lease Document or Insurances, of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 4 (*Leases and Insurances*) or such other form as the Security Trustee may agree, and
- (ii) use all reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security.

### 6.4 Notice of Security: Accounts

Promptly (and in any event within 1 Business Day of the date of this Agreement) in relation to each account maintained by it which is the subject of the Security created by this Agreement, or if later, upon the opening by it of any other such account, each Chargor shall

- (a) deliver to the Security Trustee a duly executed notice addressed to each relevant bank, building society or other person of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 5 (*Accounts*) or such other form as the Security Trustee may agree, and
- (b) use reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security

#### **6.5 Notice of Security: Assigned Loans**

- (a) Each Chargor acknowledges the Security over the Assigned Loans in accordance with this Agreement
- (b) Other than any Assigned Loan in existence on the date of this Agreement, promptly (and in any event within 1 Business Day of the date of entry into any Assigned Loan), each Chargor shall:
  - (i) deliver to the Security Trustee a duly executed notice addressed to each debtor in respect of such Assigned Loans of the Security constituted by this Agreement, such notice being substantially in the form set out in Schedule 6 (*Assigned Loans*) or such other form as the Security Trustee may agree, and
  - (ii) use reasonable endeavours to procure from the relevant debtor an acknowledgement in the form set out such notice of security

#### **6.6 Notices of Security: other assets**

Except to the extent already provided for in this Clause 6, each Chargor shall join the Security Trustee in giving notices of security (in such form as may be specified by the Security Trustee) in respect of any asset which is the subject of an assignment or charge pursuant to Clause 4 (*Fixed Security*) promptly upon the request of the Security Trustee from time to time and will use reasonable endeavours to procure from each recipient of those notices, an acknowledgement in a form satisfactory to the Security Trustee

#### **6.7 Delivery of share certificates**

New Holdco shall

- (a) promptly (and in any event within 2 Business Days of the date of this Agreement), deposit with (or to the order of) the Security Trustee (or procure the deposit of) all certificates or other documents of title to the Relevant Shares or any Investments (if applicable) and stock transfer forms in respect of the Relevant Shares or any Investments (if applicable) (executed in blank by it or on its behalf), and
- (b) promptly upon the accrual, after or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares or any Investments (or upon acquiring any interest therein), notify the Security Trustee of that occurrence and procure the delivery to the Security Trustee of

- (i) all certificates or other documents of title representing such stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares or Investments, and
- (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Trustee may request

#### **6 8 Deposit of title deeds**

Each Chargor shall

- (a) immediately upon the execution of this Agreement (and upon the acquisition by it of any interest in any Security Asset at any time) deposit (or procure the deposit) with (or held to the order of) the Security Trustee all deeds, certificates and other documents constituting or evidencing title to the Security Assets (or procure that the same are held to the order of the Security Trustee subject to an undertaking in form and substance satisfactory to the Security Trustee (acting on the instructions of the Agent)), and
- (b) deposit with (or to the order of) the Security Trustee at any time thereafter any further such deeds, certificates, instruments of transfer and other documents, promptly upon coming into possession of any of those items

#### **6 9 Application to the Land Registry**

Each Chargor hereby consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship Register of any registered land situated in England and Wales at any time forming part of the Real Property

"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 24 July 2015 in favour of Citicorp Trustee Company Limited referred to in the charges register or their conveyancer "

#### **6 10 Further advances**

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Agreement as if set out in this Agreement.
- (b) Each Chargor consents to an application being made to the Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Security Assets

#### **6 11 Assigned Loans**

- (a) No Chargor shall take, or omit to take, any action or steps in respect of the Assigned Loans whereby the Security created under this Agreement might be

terminated, impaired or adversely affected or the ability of the Security Trustee to realise such Security might be prejudiced

- (b) The Security Trustee shall not be under any obligation in relation to any Assigned Loan as a consequence of this Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Assigned Loans

## **7. FURTHER ASSURANCE**

### **7.1 Further assurance**

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below
- (b) Each Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may (acting reasonably in respect of paragraphs (i) and (ii) below only) specify (and in such form as the Security Trustee may (acting reasonably in respect of paragraphs (i) and (ii) below only) require) in favour of the Security Trustee or its nominee(s) to
  - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Agreement (which may include the execution by that Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Trustee provided by or pursuant to this Agreement or by law;
  - (ii) confer on the Security Trustee Security over any asset or undertaking of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Agreement, and/or
  - (iii) while an Event of Default is continuing, facilitate the realisation of the Security Assets

## **8 SHARES AND INVESTMENTS**

### **8.1 Dividends prior to an Event of Default**

Prior to this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the relevant Chargor shall be entitled to receive all dividends, interest and other moneys arising from the Relevant Shares or any Investments

## 8.2 Dividends after an Event of Default

Upon this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the Security Trustee may, at its discretion and election, (in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor) apply all dividends, interest and other moneys arising from the Relevant Shares or any Investments as though they were the proceeds of sale in accordance with Clause 14 (*Application of Moneys*).

## 8.3 Voting rights prior to notice

Prior to the giving of notice pursuant to Clause 8.4 (*Voting rights after notice*), each Chargor shall be entitled to exercise all voting rights in relation to the Relevant Shares

## 8.4 Voting rights after notice

Upon this Agreement becoming enforceable in accordance with Clause 10.1 (*Enforcement*), the Security Trustee may (but without having any obligation to do so) give notice to the relevant Chargor (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Trustee may (but without having any obligation to do so), in the name of the relevant Chargor or otherwise and without any further consent or authority from the relevant Chargor

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares or any Investments,
- (b) transfer the Relevant Shares or any Investments into the name of the Security Trustee or such nominee(s) of the Security Trustee as it shall require, and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Shares or any Investments including the right, in relation to any company whose shares or other securities are included in the Relevant Shares or any Investments, to concur or participate in
  - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof),
  - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities, and
  - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Trustee thinks fit, and the proceeds of any such action shall form part of the Relevant Shares or any Investments.

**8 5 Shares: Voting rights**

No Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares or any Investments in any manner, or otherwise permit or agree to or concur or participate in any

- (a) variation, renunciation or assignment of the rights attaching to or conferred by all or any part of the Relevant Shares or any Investments, or
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Agreement,

which in the opinion of the Security Trustee could reasonably be expected to prejudice the ability of the Security Trustee to realise, the security created by this Agreement provided that the proceeds of any such action shall form part of the Relevant Shares or Investments

**8 6 Investments and Shares: Payment of calls**

The relevant Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares or Investments, and in any case of default by it in such payment, the Security Trustee may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Security Trustee shall be reimbursed by each Chargor to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement

**8 7 Investments: Exercise of rights**

No Chargor shall exercise any of its rights and powers in relation to any of the Relevant Shares or any Investments in any manner which would prejudice the ability of the Security Trustee to realise, the Security created pursuant to this Agreement

**9 ACCOUNTS**

The Security Trustee may, at any time on behalf of any Secured Party while this Agreement is enforceable in accordance with Clause 10 (*Enforcement of security*), without prior notice

- (a) set-off, transfer or apply any account and any other account which is the subject of the security created by this Agreement and any debt represented thereby in or towards satisfaction of all or any part of the Secured Obligations, and
- (b) demand and receive all and any moneys due under or arising out of each account which has been assigned by this Agreement and exercise all rights that any Chargor was then entitled to exercise in relation to that account or might, but for the terms of this Agreement, exercise.

## 10 ENFORCEMENT OF SECURITY

### 10.1 Enforcement

On and at any time after the occurrence of

- (a) an Event of Default (as long as it is continuing), or
- (b) an Administration Event, or
- (c) a request from any Chargor to the Security Trustee that it exercise any of its powers under this Agreement,

the Security created by or pursuant to this Agreement is immediately enforceable and the Security Trustee may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion

- (i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)), and
- (ii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Agreement) on mortgagees and by this Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers

### 10.2 Effect of Moratorium

The Security Trustee shall not be entitled to exercise its rights under Clause 10.1 (*Enforcement*) or Clause 5.2 (*Conversion of floating charge to fixed Security*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986

## 11 EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

### 11.1 Extension of powers

The power of sale or other disposal conferred on the Security Trustee and on any Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Agreement

### 11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Security Trustee of its right to consolidate all or any of the security created by or pursuant to this Agreement with

any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to any Chargor on or at any time after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*)

### 11.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Trustee at any time on or after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*) and the Security Trustee and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply
- (c) No Chargor shall have, at any time during the Security Period, the power pursuant to Section 99 of the Law of Property Act 1925 to make any lease in respect of any Real Property without the prior written consent of the Security Trustee or as permitted pursuant to the terms of the Facilities Agreement.

### 11.4 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Trustee shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargors. For this purpose, a commercially reasonable method of valuing a Security Asset shall be.

- (a) in the case of cash, the amount standing to the credit of each account or to the credit of any other account with any bank, building society, financial institution or otherwise, together with any accrued but unposted interest, at the time of appropriation, and
- (b) in the case of any Investments or Relevant Shares, their market value determined by the Security Trustee by reference to a public index, independent valuation or by such other process as the Security Trustee may select

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



## 12 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

### 12.1 Appointment and removal

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee)

- (a) without prior notice to any Chargor
  - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets, or
  - (ii) appoint two or more Receivers of separate parts of the Security Assets, or
  - (iii) remove (so far as it is lawfully able) any Receiver so appointed, or
  - (iv) appoint another person(s) as an additional or replacement Receiver(s); or
  - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986, and
- (b) following notice to any relevant Chargor, appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

### 12.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 12.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver,
- (b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee, and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

### 12.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Law of Property Act 1925 (as extended by this Agreement) or otherwise and such powers shall remain

exercisable from time to time by the Security Trustee in respect of any part of the Security Assets

### 13 POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Security Assets (and any assets which, when got in, would be Security Assets in respect of which he was appointed), and as varied and extended by the provisions of this Agreement (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor)

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act,
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which any Chargor itself could do or omit to do, and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of any Chargor) which seem to the Receiver to be incidental or conducive to
  - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
  - (ii) the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to this Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed), or
  - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Security Assets

### 14 APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Trustee or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Trustee (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Facilities Agreement

## **15 PROTECTION OF PURCHASERS**

### **15.1 Consideration**

The receipt of the Security Trustee or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Trustee or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit

### **15.2 Protection of purchasers**

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings

## **16 POWER OF ATTORNEY**

### **16.1 Appointment and powers**

Each Chargor by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for

- (i) carrying out any obligation imposed on any Chargor by this Agreement or any other agreement binding on such Chargor to which the Security Trustee is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets), and
- (ii) enabling the Security Trustee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Agreement or by law (including, after this Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner of the Security Assets)

### **16.2 Ratification**

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers

## **17 EFFECTIVENESS OF SECURITY**

### **17.1 Continuing security**

- (a) The Security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Trustee in writing
- (b) No part of the Security from time to time intended to be constituted by this Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

### **17.2 Cumulative rights**

The Security created by or pursuant to this Agreement shall be cumulative, in addition to and independent of every other Security which the Security Trustee or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Agreement.

### **17.3 No prejudice**

The Security created by or pursuant to this Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to each Chargor or any other person, by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Trustee holds the security or by any other thing which might otherwise prejudice that Security.

### **17.4 Remedies and Waivers**

No failure on the part of the Security Trustee to exercise, nor any delay on its part in exercising, any right, power or remedy under this Agreement, shall operate as a waiver of that right, power or remedy or, power constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of the Security Trustee shall be effective unless it is in writing. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

### **17.5 No liability**

None of the Security Trustee, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession, or

- (b) for any loss arising by reason of taking any action permitted by this Agreement or any neglect or default in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part

#### **17.6 Partial invalidity**

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security

#### **17.7 Waiver of defences**

The obligations of, and the Security created by, each Chargor under this Agreement and the rights and remedies provided by this Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 17.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Agreement and whether or not known to that Chargor or any Secured Party including

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person,
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor 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, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents),
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations, and

- (g) any insolvency or similar proceedings

#### 17.8 **Chargor intent**

Without prejudice to the generality of Clause 17.7 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following acquisitions of any nature, increasing working capital, enabling investor distributions to be made, carrying out restructurings, refinancing existing facilities, refinancing any other indebtedness, making facilities available to new borrowers, any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and any fees, costs and/or expenses associated with any of the foregoing

#### 17.9 **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 other person before claiming from any Chargor under this Agreement. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

#### 17.10 **Deferral of rights**

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Agreement

- (a) to be indemnified by an Obligor,
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Agreement,
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Agreement by any Secured Party
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Finance Document,
- (e) to exercise any right of set-off against any Obligor, or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party

If each Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Security Trustee to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Obligors under or in connection with this Agreement to be repaid in full and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 14 (*Application of Moneys*)

## 18 PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Security Trustee or any Receiver of any power of sale under this Agreement, the Security Trustee may redeem such prior Security or procure the transfer thereof to itself
- (b) The Security Trustee may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Trustee on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment)

## 19 SUBSEQUENT SECURITY INTERESTS

If the Security Trustee acting in its capacity as trustee or otherwise or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of that Chargor to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be credited or treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received

## 20 SUSPENSE ACCOUNTS

All moneys received, recovered or realised by the Security Trustee under this Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Trustee's discretion, in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to

withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above

## **21 RELEASE OF SECURITY**

### **21.1 Release of Security**

Upon the expiry of the Security Period, the Security Trustee shall, at the request and cost of each Chargor, release and cancel the security constituted by this Agreement and procure the reassignment to that Chargor of the property and assets assigned to the Security Trustee pursuant to this Agreement, in each case without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees

### **21.2 Clawback**

If the Security Trustee considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged

## **22 SET-OFF**

Each Chargor authorises the Security Trustee (but the Security Trustee shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Trustee to each Chargor and apply any credit balance to which each Chargor is entitled on any account with the Security Trustee in accordance with Clause 14 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account)

## **23 DISCRETION AND DELEGATION**

### **23.1 Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Trustee or any Receiver may, subject to the terms and conditions of the Facilities Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

### **23.2 Delegation**

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Trustee or the Receiver itself.



## 24 GOVERNING LAW

This Agreement and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with English law

## 25 JURISDICTION

### 25.1 English courts

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**")

### 25.2 Convenient Forum

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly that no Chargor will argue to the contrary

### 25.3 Exclusive Jurisdiction

Notwithstanding Clause 25.1 (*English courts*), the Security Trustee may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Trustee may take concurrent proceedings in any number of jurisdictions.

## 26 COUNTERPARTS

This Agreement 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 Agreement

## 27 LIMITED RECOURSE

- (a) Notwithstanding any other provision of the Finance Documents, the recourse of the Secured Parties to New Topco and New Holdco in respect of any amounts owing under the Finance Documents is limited to (i) the Security Assets, (ii) the amounts that are paid to or recovered by New Topco and/or New Holdco (as applicable) or any other person claiming through or on behalf of New Topco and/or New Holdco (as applicable) under or in relation to the Security Assets, and (iii) any other assets of New Topco and New Holdco (together such sums and proceeds, the "**Recourse Amounts**")
- (b) The Secured Parties agree that they will look solely to the Recourse Amounts for the payment and discharge of amounts owing by New Topco and/or New Holdco (as applicable) in respect of any amounts owing under the Finance Documents. The Secured Parties will not take any judicial or other steps or proceedings or exercise any other right or remedy that they might otherwise have against New Topco and/or New Holdco (as applicable) or any of its assets (other than any assets which are the subject of Security created by the

Security Documents) in respect of any amounts due under this Agreement except for

- (i) steps or proceedings in relation to the recovery of Recourse Amounts or the exercise of any enforcement rights under the Security Documents provided that in connection therewith the Secured Parties shall not initiate insolvency, bankruptcy or similar proceedings in relation to New Topco and/or New Holdco (as applicable) except to the extent permitted under subparagraph (ii) below,
  - (ii) the Secured Parties proving or lodging a claim in any insolvency, bankruptcy or similar proceedings in relation to New Topco and/or New Holdco (as applicable) or in the winding up, dissolution or any similar proceeding of or in relation to New Topco and/or New Holdco (as applicable) which in any such case is initiated by a person other than a Secured Party or which is initiated by a Secured Party in relation to the recovery of Recourse Amounts in circumstances where New Topco and/or New Holdco (as applicable) has creditors other than a Secured Party and is balance sheet insolvent or its contingent liabilities exceed its assets, or
  - (iii) the Secured Parties taking proceedings to obtain a declaration or other judgment order as to the obligations or liabilities of New Topco and/or New Holdco (as applicable) under this Agreement but only to the extent such declaration or other judgment order is expressly limited to recoveries of Recourse Amounts
- (c) Notwithstanding anything to the contrary in this Agreement, no recourse under any obligation, covenant or agreement of any Secured Party shall be had against New Topco and/or New Holdco (as applicable) except to the extent of Recourse Amounts
- (d) The obligations of New Topco and/or New Holdco (as applicable) under this Agreement are solely the corporate obligations of New Topco and/or New Holdco (as applicable). No recourse shall be had for the payment of any amount owing by New Topco and/or New Holdco (as applicable) under or in connection with this Agreement, or for the payment by New Topco and/or New Holdco (as applicable) of any other obligation or claim of, or against New Topco and/or New Holdco (as applicable) arising out of or based on this Agreement, against any shareholder, employee, officer, director, Affiliate or agent of New Topco and/or New Holdco (as applicable), and all personal liability for breaches by New Topco and/or New Holdco (as applicable) of any of such obligations, covenants or agreements, either at law or by statute or constitution is hereby expressly waived by the Secured Parties

On the first date (the "**Extinguishment Date**") on which all present and future, actual and contingent Recourse Amounts have been realised in full, any unsatisfied amounts owing from New Topco and New Holdco to the Secured Parties shall be automatically waived and extinguished. Notwithstanding anything to the contrary in this Clause 27 (*Limited Recourse*), the obligations of New Topco and/or New Holdco (as applicable) under this Agreement shall remain owing and default interest will

accrue in accordance with the provisions of the Finance Documents on any amount which would, but for this Clause 27 (*Limited Recourse*), have been due and payable under this Agreement as if such amount had been due and payable, up to and including the Extinguishment Date. For the avoidance of doubt, any accrued default interest which is not paid by the application of Recourse Amounts on or prior to the Extinguishment Date shall also be extinguished on the Extinguishment Date in accordance with this Clause 27 (*Limited Recourse*).

**THIS AGREEMENT** has been executed as, and is intended to take effect as, a deed by each Chargor and has been signed by the Security Trustee on the date written on the first page of this Agreement.

**SCHEDULE 1  
CHARGORS**

<b>Name</b>	<b>Jurisdiction</b>	<b>Registered Number</b>
LSREF III Wight Hotel Holdings Limited	Ireland	542282
LSREF III Wight Hotel Investments Limited	Ireland	542634
Hotel Collection Services Limited	England & Wales	09174178
Hotel Collection No 1 Limited	England & Wales	09173742
Hotel Collection No 2 Limited	England & Wales	09173889
Hotel Collection No 3 Limited	England & Wales	09174014
Hotel Collection No.4 Limited	England & Wales	09174106
Hotel Collection No.5 Limited	England & Wales	09174110
Hotel Collection No 6 Limited	England & Wales	09174142
Hotel Collection No 7 Limited	England & Wales	09174105
Hotel Collection No 8 Limited	England & Wales	09174141
Hotel Collection No 9 Limited	England & Wales	09174159
Hotel Collection No 11 Limited	England & Wales	09174168
Hotel Collection No 12 Limited	England & Wales	09173883
Hotel Collection No 13 Limited	England & Wales	09173933

<b>Name</b>	<b>Jurisdiction</b>	<b>Registered Number</b>
Hotel Collection No 14 Limited	England & Wales	09174100
Hotel Collection No 18 Limited	England & Wales	09174161

**SCHEDULE 2**  
**MORTGAGED PROPERTY**

<b>Chargor Name</b>	<b>Property Description</b>	<b>Title Number</b>
Hotel Collection Hotel No 1 Limited (09173742)	Hanover International Hotel & Club, Watling Street, Hinckley LE10 3JA	LT218080
Hotel Collection Hotel No 3 Limited (09174014)	Land and buildings known as Majestic Hotel, Ripon Road, Harrogate HG1 2HU	NYK182137
Hotel Collection Hotel No 4 Limited (09174106)	Land and buildings known as The Oxford Hotel, Godstow Road, Wolvercote, Oxford OX2 8AL	(i) ON15968 (ii) ON225400
Hotel Collection Hotel No 5 Limited (09174110)	Walton Hall, Walton, Warwick CV35 9HU	WK337667
Hotel Collection Hotel No 6 Limited (09174142)	(i) The Imperial Hotel and land on the south west side of Parkhill Road, Torquay  (ii) Land lying to the south of Park Hill Road, Torquay	(i) DN404359 (ii) DN110255
Hotel Collection Hotel No 7 Limited (09174105)	(i) Land on the east side of Shrigley Road, Pott Shrigley  (ii) and (iii) Land on the north side of Shrigley Road, Pott Shrigley  (iv) Land and buildings lying to the north west of Bakestonedale Road, Pott Shrigley  (v) The Oakridge, Shrigley Road, Pott Shrigley	(i) CH275087 (ii) CH308438 (iii) CH317568 (iv) CH405482 (v) CH407024
Hotel Collection Hotel No 8 Limited (09174141)	The Old Ship Hotel, Kings Road, Brighton, BN1 1NR	ESX261231
Hotel Collection Hotel No 9 Limited (09174159)	Land and buildings known as the Imperial Hotel, Promenade, Blackpool FY1	LA475240

Chargor Name	Property Description	Title Number
	2HB	
Hotel Collection Hotel No 11 Limited (091174168)	Land and buildings known as the Billesley Manor Hotel	WK383792
Hotel Collection Hotel No 12 Limited (09173883)	Barcelo Daventry Hotel, Drayton Way, Daventry, NN11 0SG	(i) NN140114 (ii) NN141549
Hotel Collection Hotel No 14 Limited (09174100)	(i) Redworth Hall Hotel & Country Club, Redworth, Newton Aycliffe DL5 6NL (ii) Land and buildings to the South of High Road, Redworth (iii) Land on the West Side of Main Street, Darlington	(i) DU133881 (ii) DU135179 (iii) DU139625
Hotel Collection Hotel No. 18 Limited (09174100)	(i) The Angel Hotel, Castle Street, Cardiff CF10 1SZ (ii) Land lying to the South of Castle Street, Cardiff	(i) WA87715 (ii) WA718950

**SCHEDULE 3**  
**RELEVANT SHARES**

<b>Company in which shares are held</b>	<b>Registration Number</b>	<b>Chargor</b>	<b>Number/class of shares</b>
Hotel Collection Services Limited	09174178	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 1 Limited	09173742	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 2 Limited	09173889	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 3 Limited	09174014	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 4 Limited	09174106	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 5 Limited	09174110	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 6 Limited	09174142	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 7 Limited	09174105	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 8 Limited	09174141	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 9 Limited	09174159	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 11 Limited	09174168	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1



<b>Company in which shares are held</b>	<b>Registration Number</b>	<b>Chargor</b>	<b>Number/class of shares</b>
Hotel Collection No 12 Limited	09173883	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 13 Limited	09173933	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 14 Limited	09174100	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1
Hotel Collection No 18 Limited	09174161	LSREF III Wight Hotel Investments Limited	1 ordinary Share of £1

**SCHEDULE 4  
LEASES AND INSURANCES**

**PART A  
NOTICE OF SECURITY: LEASES**

To [Headlease holder/Tenant]

Date [ ]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over all our right, interests and benefits in and to the [*describe Lease (date/term/parties/premises)*] (including all moneys payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "**Lease**")

We will remain liable to perform all our obligations under the Lease and the Security Trustee is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease

Please note that

- 1 all remedies provided for under the Lease or available at law or in equity are exercisable by, or at the direction of, the Security Trustee, and
- 2 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Lease (including all rights to compel performance) belong to, and are exercisable by, or at the direction of, the Security Trustee.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us.

Yours faithfully

[*Chargor Name*]

**PART B**  
**NOTICE OF SECURITY: INSURANCES**

To [Insurer]

Date [ ]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over all our right, interests and benefits in, and to the *[describe Insurances including policy number]* effected by us or on our behalf in relation to the risk to *[describe Property]* (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**")

We will remain liable to perform all our obligations under the Policy and the Security Trustee is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy

With effect from your receipt of this notice we irrevocably instruct and authorise you to

1. [make all payments and claims in excess of £250,000 under or arising from the Policy to the account called "LSREF III Wight Limited – Collection Account",]<sup>1</sup>
- 2 name the Security Trustee as co-insured and loss payee on the Policy,<sup>2</sup> and
- 3 disclose to the Security Trustee, without further approval from us, such information regarding the Policy as the Security Trustee may from time to time request and to send it copies of all notices issued by you under the Policy

Please note that

- 1 all remedies provided for under the Policy or available at law or in equity are exercisable by the Security Trustee, and
- 2 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Policy (including all rights to compel performance) belong to, and are exercisable by or at the direction of, the Security Trustee

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us

<sup>1</sup> To be included other than for public liability and third party liability insurance policies

<sup>2</sup> Other than public liability and third party liability insurances

**PART C**  
**ACKNOWLEDGEMENT OF NOTICE OF SECURITY**

To Citicorp Trustee Company Limited as Security Trustee

Date [ ]

Dear Sirs

We confirm receipt of a notice dated [ ] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all of the Chargor's rights, interest and benefit in and to the [Lease/Policy] (as specified in that notice) to which we are a party

We confirm that.

- (a) we will comply with the terms of such notice, and
- (b) we have not received notice of any prior security over, or interest of any third party in, (other than [*insert details of existing Asset Level Security*]) the [Lease/Policy]

We further confirm that

- 1. [*Insurances and Leases* no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Trustee,]
- 2. no termination of such rights, interests or benefits will be effective unless we have given the Security Trustee 30 days' written notice of the proposed termination, specifying the action necessary to avoid such termination, [and]
- 3. the Chargor will remain liable to perform all its obligations under the [Lease/Policy] and the Security Trustee is under no obligation of any kind whatsoever under the [Lease/Policy] nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the [Lease/Policy][ ], and]
- 4. [*Insurances* no breach or default on the part of the Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of that breach to the Security Trustee specifying how to make good that breach ]

[*Insurances* We confirm that we have made all necessary arrangements for all future payments payable under the Policy to be made into the account specified in the notice ]

[*Insurances* We confirm that we have made all necessary arrangements for the Security Trustee to be named as co-insured and loss payee ]<sup>3</sup>

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<sup>3</sup> Other than public liability and third party liability insurances

[*Insurances* We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Policy ]

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Yours faithfully

[Headlease holder/Tenant/Insurer]

cc [*Chargor Name*]

**SCHEDULE 5  
ACCOUNTS**

**PART A  
NOTICE OF SECURITY TO ACCOUNT BANK**

To [Bank or other financial institution holding the account]

Date [ ]

Dear Sirs

We give you notice that, by a Security Agreement dated [•] July 2015, we have created security in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") as trustee for the Secured Parties over any accounts and all moneys (including interest) from time to time standing to the credit of the accounts listed below and the debt or debts represented thereby

The account[s] maintained with you [is/are]

Account Name[s]	[ ]
Sort Code[s]	[ ]
Account No[s]	[ ]

We further instruct and authorise you to act only in accordance with the Security Trustee's instructions following receipt by you of a notice issued by the Security Trustee of the occurrence of an Event of Default or an Administration Event or a request from any Chargor to the Security Trustee that it exercise any of its powers under the Security Agreement. Until such notice is received by you, we are authorised by the Security Trustee to receive, withdraw or otherwise transfer any credit balance from time to time on [*specify account*]

We irrevocably instruct and authorise you to disclose to the Security Trustee without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to any accounts maintained with you from time to time as the Security Trustee may request you to disclose to it

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Trustee with a copy to us

Yours faithfully

[*Chargor Name*]

**PART B**  
**ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK**

To Citicorp Trustee Company Limited as Security Trustee

Date [ ]

Dear Sirs

We confirm receipt of a notice dated [ ] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all moneys (including interest) from time to time standing to the credit of the Chargor's account[s] (as specified in that notice) (the "**Account[s]**") which [is/are] maintained with us and the debt or debts represented thereby

We confirm that

- (a) we will comply with the terms of that notice, and
- (b) we have not received notice of any prior security over or interest of any third party in [any of] the Account[s]. We confirm that we will not, without the Security Trustee's prior written consent, amend or vary any rights attaching to the Account[s] (other than [*insert details of existing Asset Level Security*])

We will act only in accordance with the instructions given by persons authorised by the Security Trustee and we shall send all statements and other notices given by us relating to the Account to the Security Trustee.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales

Yours faithfully

[Bank or other financial institution holding the Account]

cc [*Chargor Name*]

**SCHEDULE 6  
ASSIGNED CONTRACTS**

**PART A  
NOTICE OF ASSIGNMENT**

To [ ]

Date [ ]

Dear Sirs,

We give you notice that by a Security Agreement dated [•] July 2015 we have created security by way of equitable assignment in favour of Citicorp Trustee Company Limited (the "**Security Trustee**") over all our right, title and interest in and to all moneys payable by you to us in respect of [*details of relevant inter-company loan/Hotel Operating Document*] and all payments by you to us arising under it (the "**Contract**")

We shall continue to be solely responsible for the performance of our obligations under or in connection with the Contract and the Security Trustee is under no obligation of any kind whatsoever under the Contract nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Contract

With effect from the date of your receipt of this notice

- (a) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Payments continue to shall be exercisable by, or at the direction of, [*insert name of Chargor*],
- (b) all payments by you to us under or arising from the Contract (the "**Payments**") shall be paid to [*insert name of Chargor*] in accordance with the terms of the Contract, and
- (c) all remedies in respect of the Contract shall be exercisable by [*insert name of Chargor*],

in each case unless you receive written notification from the Security Trustee to the contrary

- 2 You are authorised and instructed, without requiring further approval from us, to provide the Security Trustee with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Security Trustee as well as to us.
- 3 These instructions may not be revoked, nor may the terms of the Contract be amended, varied, waived or terminated, without the prior written consent of the Security Trustee (other than or permitted by the terms of the Finance Documents)
- 4 Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Trustee at [ ] marked for the attention of [ ]



5 This notice and any non-contractual obligations arising out of or in connection with it are governed by English law

Yours faithfully,

For and on behalf of

[*ChargorName*]



**Chargors**

**EXECUTED and DELIVERED** for and on behalf of  
and as a **DEED** of  
**LSREF III WIGHT HOTEL**  
**HOLDINGS LIMITED**  
by its lawfully appointed attorney

in the presence of

Witness Signature \_\_\_\_\_

Witness Name \_\_\_\_\_

Witness Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Witness Occupation \_\_\_\_\_

**EXECUTED and DELIVERED** for and on behalf of  
and as a **DEED** of  
**LSREF III WIGHT HOTEL**  
**INVESTMENTS LIMITED**  
by its lawfully appointed attorney

in the presence of

Witness Signature \_\_\_\_\_

Witness Name \_\_\_\_\_

Witness Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Witness Occupation. \_\_\_\_\_

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION SERVICES** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness.  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.1 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.2 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.3 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.4 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS):  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.5 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS):  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.6 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS):  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.7 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS):  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.8 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.9 LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.11** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.12** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.13** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.14** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

**EXECUTED AS A DEED** by )  
**HOTEL COLLECTION NO.18** )  
**LIMITED** )  
acting by a director )  
in the presence of )

Signature of witness  
Name (in BLOCK CAPITALS)  
Address:

**Security Trustee**

Signed by )  
**CITICORP TRUSTEE COMPANY** )  
**LIMITED** )  
acting by its attorney )



Victor Japaul  
17

Witnessed by   
Name  
Address **RICK YANG**

**Citigroup Centre, 25 Canada Square**  
**Canary Wharf, London, E14 5LB**

Clifford Chance LLP

Laurence Wong

Room 2508

Tel 020 7006 4932



4 August  
~~July~~ 2015

## DEED OF ACKNOWLEDGEMENT

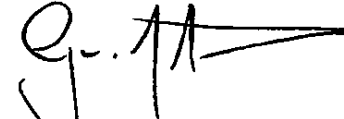
To whom it may concern,

Security agreement and deed of priority entered into in connection with a £1,427,526,289 and €443,427,641 facilities agreement dated 26 February 2014, as supplemented by a supplemental agreement dated 15 May 2014 and as amended and restated on 18 June 2015 (the "Facilities Agreement")

- 1 We refer to
  - (a) the Facilities Agreement,
  - (b) the security agreement dated 24 July 2015 entered into between, amongst others, Citicorp Trustee Company Limited as security trustee and Hotel Collection Services Limited as chargor (the "Debtenture"), and
  - (c) the deed of priority dated 27 July 2015 entered into between, amongst others, Citicorp Trustee Company Limited as security trustee, LSREF III Wight Limited as asset level lender and Citibank International Limited and in certain specific capacities, Citibank, N A , London Branch as agent (the "Deed of Priority")
- 2 Terms defined in the Facilities Agreement have the same meaning when used in this letter (unless otherwise defined herein)
- 3 Each party to this letter acknowledges that the Debtenture and Deed of Priority contain errors in its name and agrees that all references to its incorrect name as shown in the first column entitled "Incorrect Name" in the Schedule (*Company Names*) in the Debtenture or Deed of Priority shall be construed as its correct name as shown in the second column entitled "Correct Name" in the Schedule (*Company Names*) in accordance with the intention of the parties to the Debtenture and Deed of Priority (as applicable) at the time such documents were entered into and notwithstanding such error in the Debtenture and Deed of Priority it shall be bound by the terms of the Debtenture and the Deed of Priority on the terms set out therein
- 4 This letter may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument
- 5 This letter and all non-contractual obligations arising from or connected with it are governed by English law

IN WITNESS WHEREOF this Deed has been executed by the parties below and is intended to be and is hereby delivered on the date first above written

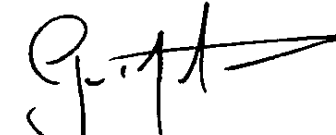
EXECUTED AS A DEED by )  
HOTEL COLLECTION HOTEL NO. 1 )  
LIMITED )  
acting by a director )  
in the presence of )

  
S. Kelly

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

SIAN KELLY  
19A BARNARD RD, LONDON, SW11 1QT

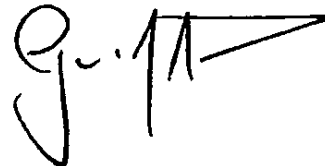
EXECUTED AS A DEED by )  
HOTEL COLLECTION HOTEL NO. 2 )  
LIMITED )  
acting by a director )  
in the presence of )

  
S. Kelly

Signature of witness  
Name (in BLOCK CAPITALS)  
Address

SIAN KELLY  
19A BARNARD RD, LONDON, SW11 1QT

EXECUTED AS A DEED by )  
HOTEL COLLECTION HOTEL NO 3 )  
LIMITED )  
acting by a director )  
in the presence of )



Signature of witness  
Name (in BLOCK CAPITALS)  
Address

S. Kelly  
SIAN KELLY  
19A BARNARD RD, LONDON SW11 1QT

EXECUTED AS A DEED by )  
HOTEL COLLECTION HOTEL NO. 4 )  
LIMITED )  
acting by a director )  
in the presence of )

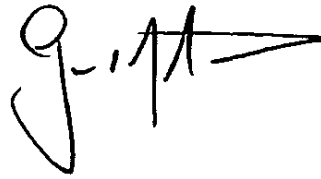


Signature of witness  
Name (in BLOCK CAPITALS)  
Address

S. Kelly  
SIAN KELLY  
19A BARNARD RD, LONDON SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 5  
LIMITED  
acting by a director  
in the presence of

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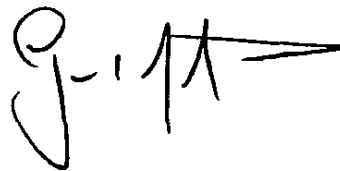


Signature of witness  
Name (in BLOCK CAPITALS)  
Address

S. Kelly  
SIAM KELLY  
19A BARNARD RD, LONDON  
SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 6  
LIMITED  
acting by a director  
in the presence of

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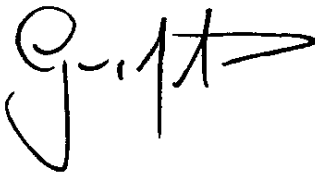


Signature of witness  
Name (in BLOCK CAPITALS)  
Address

S. Kelly  
SIAM KELLY  
19A BARNARD RD, LONDON,  
SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 7  
LIMITED  
acting by a director  
in the presence of

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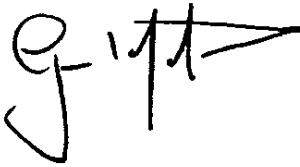


Signature of witness  
Name (in BLOCK CAPITALS)  
Address

S. Kelly  
SIAM KELLY  
19A BARNARD RD, LONDON,  
SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 8  
LIMITED  
acting by a director  
in the presence of

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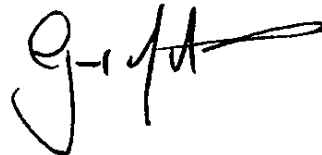


Signature of witness  
Name (in BLOCK CAPITALS)  
Address.

S. Kelly  
SIAM KELLY  
19A BARNARD RD, LONDON,  
SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 9  
LIMITED  
acting by a director  
in the presence of

)  
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)  
)



Signature of witness  
Name (in BLOCK CAPITALS)  
Address

*S. Kelly*  
SIAN KELLY  
19A BARNARD RD, LONDON  
SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 11  
LIMITED  
acting by a director  
in the presence of

)  
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)  
)  
)



Signature of witness  
Name (in BLOCK CAPITALS)  
Address

*S. Kelly*  
SIAN KELLY  
19A BARNARD RD, LONDON,  
SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 12  
LIMITED  
acting by a director  
in the presence of

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)  
)

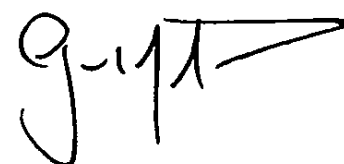


Signature of witness  
Name (in BLOCK CAPITALS)  
Address

*S. Kelly*  
SIAN KELLY  
19A BARNARD RD, LONDON  
SW11 1QT

EXECUTED AS A DEED by  
HOTEL COLLECTION HOTEL NO. 13  
LIMITED  
acting by a director  
in the presence of

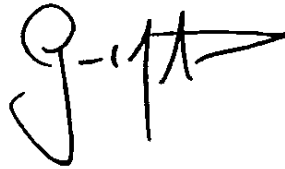
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Signature of witness  
Name (in BLOCK CAPITALS)  
Address

*S. Kelly*  
SIAN KELLY  
19A BARNARD RD, LONDON,  
SW11 1QT

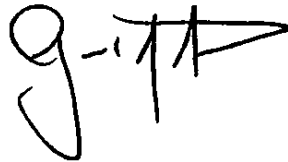
EXECUTED AS A DEED by )  
HOTEL COLLECTION HOTEL NO 14 )  
LIMITED )  
acting by a director )  
in the presence of )



Signature of witness  
Name (in BLOCK CAPITALS)  
Address

S. Kelly  
SIAM KELLY  
19A BARNARD RD. LONDON  
SW11 1QT

EXECUTED AS A DEED by )  
HOTEL COLLECTION HOTEL NO. 18 )  
LIMITED )  
acting by a director )  
in the presence of )



Signature of witness  
Name (in BLOCK CAPITALS)  
Address

S. Kelly  
SIAM KELLY  
19A BARNARD RD, LONDON  
SW11 1QT

**SCHEDULE  
COMPANY NAMES**

<b>Incorrect Name</b>	<b>Correct Name</b>	<b>Registered Number</b>
Hotel Collection No 1 Limited	Hotel Collection Hotel No 1 Limited	09173742
Hotel Collection No 2 Limited	Hotel Collection Hotel No 2 Limited	09173889
Hotel Collection No 3 Limited	Hotel Collection Hotel No 3 Limited	09174014
Hotel Collection No 4 Limited	Hotel Collection Hotel No 4 Limited	09174106
Hotel Collection No 5 Limited	Hotel Collection Hotel No 5 Limited	09174110
Hotel Collection No 6 Limited	Hotel Collection Hotel No 6 Limited	09174142
Hotel Collection No 7 Limited	Hotel Collection Hotel No 7 Limited	09174105
Hotel Collection No 8 Limited	Hotel Collection Hotel No 8 Limited	09174141
Hotel Collection No 9 Limited	Hotel Collection Hotel No 9 Limited	09174159
Hotel Collection No 11 Limited	Hotel Collection Hotel No 11 Limited	09174168
Hotel Collection No 12 Limited	Hotel Collection Hotel No 12 Limited	09173883
Hotel Collection No 13 Limited	Hotel Collection Hotel No 13 Limited	09173933
Hotel Collection No 14 Limited	Hotel Collection Hotel No 14 Limited	09174100
Hotel Collection No 18 Limited	Hotel Collection Hotel No 18 Limited	09174161

Clifford Chance LLP

Laurence Wong

Room 25.5.8

Tel 020 7006 4932