

101 237 623

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

MR01

Particulars of a charge



Companies House



Go online to file this information
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A fee is be payable with this form
Please see 'How to pay' c

☒ **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**
You may not use this form to
register a charge where the
instrument. Use form MR

WEDNESDAY



A23 *A6LND241* #295
20/12/2017
COMPANIES HOUSE

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



You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number 0 9 3 4 6 2 4 6

Company name in full SYKES COTTAGES HOLDINGS LIMITED

For official use

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

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 1 d 5 m 1 m 2 y 2 y 0 y 1 y 7

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 GLAS TRUST CORPORATION LIMITED

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

NONE

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 ¹

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.

☐

¹ This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X King * Spalding International LLP 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 **Katerina Dimou**

Company name **King & Spalding International LLP**

Address **125 Old Broad Street**

Post town **London**

County/Region

Postcode **E C 2 N 1 A R**

Country **United Kingdom**

DX

Telephone **02075512137**

**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 £23 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.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9346246

Charge code: 0934 6246 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th December 2017 and created by SYKES COTTAGES HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th December 2017.

Given at Companies House, Cardiff on 28th December 2017



Companies House



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

DATED 15 December 2017

Between

SYKES COTTAGES HOLDINGS LIMITED

GO-SYKES LIMITED

CORNISH COTTAGE HOLIDAYS LIMITED

COTTAGE HOLIDAYS (CARLISLE) LTD

SELF CATERING TRAVEL LTD

SYKES COTTAGES LTD

HELPFUL HOLIDAYS (HOLDINGS) LIMITED

HELPFUL HOLIDAYS LIMITED

WEST COUNTRY COTTAGES LTD

as Chargors

AND

GLAS TRUST CORPORATION LIMITED

as Security Agent

FIXED AND FLOATING SECURITY AGREEMENT

**This Deed is entered into subject to the terms of the Intercreditor Agreement dated
15 December 2017**

*Certified as a true copy of the original save for
material redacted pursuant to s.859G of the
Companies Act 2006*

KD

19/12/2018

KING & SPALDING INTERNATIONAL LLP

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THIS DEED is made on 15 December 2017

BETWEEN:

- (1) **SYKES COTTAGES HOLDINGS LIMITED**, a private limited company incorporated under the laws of England & Wales, with registered number 09346246 and registered office at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**the Parent**);
- (2) **GO-SYKES LIMITED**, a private limited company incorporated under the laws of England and Wales, with registered number 09329266 and registered office at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**the Company**);
- (3) **CORNISH COTTAGE HOLIDAYS LIMITED**, a private limited company incorporated under the laws of England and Wales, with registered number 04717186 and registered office at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**Cornish Cottage**);
- (4) **COTTAGE HOLIDAYS (CARLISLE) LTD.**, a private limited company incorporated under the laws of England and Wales, with registered number 07463275 and registered office at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**Carlisle**);
- (5) **SELF CATERING TRAVEL LTD.**, a private limited company incorporated under the laws of England and Wales, with registered number 07730563 and registered office at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**Self Catering**);
- (6) **SYKES COTTAGES LTD.**, a private limited company incorporated under the laws of England and Wales, with registered number 04469189 and registered office at Lime Tree House, Hoole Lane, Chester, CH2 3EG (**Sykes Cottages**);
- (7) **HELPFUL HOLIDAYS (HOLDINGS) LIMITED**, a private limited company incorporated under the laws of England and Wales, with registered number 08632456 and registered office at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**Helpful Holdings**);
- (8) **HELPFUL HOLIDAYS LIMITED**, a private limited company incorporated under the laws of England and Wales, with registered number 03800436 and registered office at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**Helpful Holidays**);
- (9) **WEST COUNTRY COTTAGES LTD.**, a private limited company incorporated under the laws of England and Wales, with registered number 03741255 and registered office at at One, St. Peter's Square, Manchester, United Kingdom, M2 3DE (**West Country**; together with the Parent, the Company, Cornish Cottage, Carlisle, Self Catering, Sykes Cottages, Helpful Holdings and Helpful Holidays, the **Original Chargors**); and
- (10) **GLAS TRUST CORPORATION LIMITED**, as security agent and trustee for the Secured Parties (as defined in the Intercreditor Agreement referred to below) (**the Security Agent**).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Senior Facilities Agreement (as defined below) and the Intercreditor Agreement (as defined below); and
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Account Bank means an Approved Bank with whom a Security Account is maintained;

Act means the Law of Property Act 1925;

Additional Chargor means a member of the Group which becomes a Chargor by executing a Deed of Accession;

Approved Bank has the meaning given to the term "Acceptable Bank" in the Senior Facilities Agreement;

Assigned Receivables means each amount owed to a Chargor in relation to any loan made available by that Chargor to a Group Company;

Bank Accounts of a Chargor means:

- (a) all current, deposit or other accounts with any bank or financial institution in which it now or in the future has an interest (including the accounts described in Part B of Schedule 2 (*Security Assets*); and
- (b) (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on those accounts described in (a) above;

Cash Equivalent Investments has the meaning given to that term in the Senior Facilities Agreement;

Chargor means an Original Chargor or an Additional Chargor;

CREST means the clearance system operated by CRESTCo Limited;

Declared Default has the meaning given to that term in the Senior Facilities Agreement;

Deed of Accession means a deed substantially in the form of Schedule 6 (*Form of Deed of Accession*);

Fixtures means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery of a Chargor;

Instructing Group has the meaning given to such term in the Intercreditor Agreement.

Insurances means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Chargor in relation to the Security Assets or in which it is otherwise interested, excluding any third party liability or public liability insurance;

Intellectual Property Rights means, in relation to any Chargor:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) any interest (including by way of licence) in any of the above; or
- (d) any application for any of the above,

owned by it including, without limitation, any Intellectual Property Rights specified under its name in Part D of Schedule 2 (*Security Assets*) or in Part 4 of the schedule to any Deed of Accession by which it became a party to this Deed, and in each case:

- (i) excluding any right by way of any licence which cannot be secured under the terms of the relevant licensing agreement; and
- (ii) whether registered or not;

Intercreditor Agreement means the intercreditor agreement dated __ December 2017 and made between (amongst others) the Parent, the Company, the Security Agent and the Senior Agent.

Investments means:

- (a) the Shares; and
- (b) all other shares, stocks, debentures, bonds, warrants, coupons and other securities or investments,

which are Security Assets;

Legal Reservations has the meaning given to that term in the Senior Facilities Agreement;

Mandatory Prepayment Account has the meaning given to that term in the Senior Facilities Agreement;

Obligor has the meaning given to that term in the Senior Facilities Agreement;

Party means a party to this Deed;

Plant and Machinery means in relation to any Chargor any plant, machinery, computers, office equipment or vehicles owned by it;

Receiver means an administrative receiver, a receiver and manager or a receiver, in each case;

Relevant Contract means in relation to any Chargor:

- (a) any agreement, instrument or other document specified in Part C of Schedule 2 (*Security Assets*) opposite its name or in Part 3 of the schedule to any Deed of Accession by which it became party to this Deed; and
- (b) any other material agreement, instrument or other document to which a Chargor is a party and which the Security Agent and that Chargor has designated a Relevant Contract in accordance with Clause 8.2 (*Designation*);

Secured Parties has the meaning given to that term in the Intercreditor Agreement;

Secured Obligations means all the Liabilities (as defined in the Intercreditor Agreement) and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Chargor to any Secured Party under the Debt Documents (as defined in the Intercreditor Agreement), both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity, together with all interest accruing thereon and all losses incurred by any Secured Party in connection therewith;

Security Account means in relation to any Chargor:

- (a) the Mandatory Prepayment Account; and
- (b) any other Bank Account which it purports to charge under this Deed;

Security Assets means each asset of a Chargor which is, or is intended to be, subject to any security created by this Deed;

Security Period means the period beginning on the date of this Deed and ending on the Senior Discharge Date;

Senior Agent means Global Loan Agency Services Limited as facility agent for the lenders under the Senior Facilities Agreement;

Senior Discharge Date has the meaning given to that term in the Intercreditor Agreement;

Senior Facilities Agreement means the senior facilities agreement dated the date hereof between, amongst others, the Parent, the Company, the Senior Agent and the Security Agent;

Shares means all shares in any member of the Group (other than the Parent) the subject of this Security;

System-User has the meaning given to it in the Uncertificated Securities Regulations 2001;

Transaction Security Documents has the meaning given to it in the Senior Facilities Agreement.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Intercreditor Agreement will be construed as references to this Deed.
- (c) Any reference in this Deed to:

certificated has the meaning given to it in the Uncertificated Securities Regulations 2001;

a **clearance system** means a person whose business is or includes the provision of clearance services or security accounts or any nominee or depositary for that person (including, without limitation, CREST);

a **Transaction Security Document**, a **Finance Document** or any other agreement or instrument includes (without prejudice to any restrictions on amendments) any amendment to that Transaction Security Document, Finance Document or other agreement or instrument,

including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;

any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;

this Security means any security created by this Deed; and

an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).

- (a) Any covenant of a Chargor under this Deed remains in force during the Security Period and is given for the benefit of each Secured Party.
- (b) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (c) Unless the context otherwise requires, a reference to a Security Asset includes:
 - (i) any part of that Security Asset;
 - (ii) any proceeds of any disposal that Security Asset; and
 - (iii) any present and future assets of that type.

1.3 Third Party Rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Secured Party that is not a Party may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

1.4 Priority

- (a) This Deed shall be subject to the terms of the Intercreditor Agreement. In the event of any inconsistency between this Deed and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.
- (b) This Deed shall be subject to the terms of the Senior Facilities Agreement. In the event of any inconsistency between this Deed and the Senior Facilities Agreement, the Senior Facilities Agreement shall prevail.

2. CREATION OF SECURITY

2.1 General

- (a) All this Security:

- (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment, discharge and performance of all the Secured Obligations; and
 - (iv) is made, where relevant, with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) Subject to paragraph (c) below, if a Chargor assigns an agreement or any rights with respect to an agreement under this Deed (or charges an agreement by way of a first fixed charge) and the assignment or charge breaches a term of that agreement, the assignment or charge will not take effect.
- (c) After any Security created by this Deed has become enforceable, notwithstanding paragraph (b) above, in respect of any Relevant Contract if the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
 - (i) the Chargor must promptly notify the Security Agent;
 - (ii) unless the Security Agent otherwise requires, the relevant Chargor must, and the Parent must ensure that the Chargor will, use all reasonable endeavours to obtain the consent as soon as practicable;
 - (iii) the assignment or charge will take effect once that consent is obtained; and
 - (iv) the Chargor must promptly supply to the Security Agent a copy of the consent obtained by it.
- (d) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.
- (e) The fact that no or incomplete details of any Security Asset are inserted in Schedule 2 (*Security Assets*) or in the schedule to any Deed of Accession (if any) by which any Chargor became party to this Deed does not affect the validity or enforceability of this Security.

2.2 Investments

- (a) Each Chargor charges by way of a first fixed charge:
 - (i) all shares in any member of the Group (other than the Parent) owned by it or held by any nominee, trustee, custodian or clearance system on its behalf; this includes any specified in Part A of Schedule 2 (*Security Assets*) opposite its name or in Part 1 of the schedule to any Deed of Accession by which it became party to this Deed; and
 - (ii) its interest in all other shares, stocks, debentures, bonds, warrants, coupons or other securities or investments (including all Cash Equivalents) owned by it or held by any nominee, trustee, custodian or clearance system on its behalf.
- (b) A reference in this Deed to any share, stock, debenture, bond, warrant, coupon or other security or investment includes:
 - (i) any dividend, interest or other distribution paid or payable;
 - (ii) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

- (iii) any right against any clearance system (including any right against CREST or CRESTCo Limited;
- (iv) any right under any custodian or other agreement (including any right to require delivery up of any cash or other assets and any right which any Chargor may have under any agreement with a System-User relating to the use of that system user's account with CREST); and
- (v) any cash or securities account maintained by any custodian or other entity,

in relation to that share, stock, debenture, bond, warrant, coupon or other security or investment.

2.3 Plant and machinery

Each Chargor charges by way of a first fixed charge all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession.

2.4 Bank Accounts

Each Chargor charges by way of a first fixed charge all of its rights in respect of each of its Bank Accounts.

2.5 Insurances

- (a) Each Chargor assigns absolutely, subject to a proviso for reassignment on redemption, all amounts payable to it under or in connection with each of its Insurances and all of its present and future rights, title and interest in connection with those amounts.
- (b) To the extent that they are not effectively assigned under paragraph (a) above, each Chargor charges by way of first fixed charge all amounts and rights described in paragraph (a) above.
- (c) A reference in this Clause 2.5 to any amounts excludes all amounts received or receivable under or in connection with any third party liability Insurance and required to settle a liability of an Obligor to a third party.

2.6 Other contracts

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its present and future rights, title and interest in respect of:
 - (i) its Relevant Contracts;
 - (ii) any letter of credit issued in its favour;
 - (iii) the Assigned Receivables; and
 - (iv) any bill of exchange or other negotiable instrument held by it.
- (b) To the extent that any right described in paragraph (a) above is not assignable or capable of assignment, the assignment of that right purported to be effected by paragraph (a) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (c) To the extent that they do not fall within any other Subclause of this Clause 2.6 and are not effectively assigned under paragraph (a) or (b) above, each Chargor charges by way

of first fixed charge all of its rights under each agreement and document to which it is a party.

2.7 Intellectual property

Each Chargor charges by way of a first fixed charge all of its rights in respect of any Intellectual Property Rights; this includes any specified in Part D of Schedule 2 (*Security Assets*) opposite its name or in Part 4 of the schedule to any Deed of Accession by which it became party to this Deed.

2.8 Miscellaneous

Each Chargor charges by way of a first fixed charge:

- (a) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
- (b) its goodwill;
- (c) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above; and
- (e) its uncalled capital.

2.9 Floating charge

- (a) Each Chargor charges by way of a first floating charge all of its assets whatsoever and wheresoever not otherwise effectively mortgaged, charged or assigned under this Deed.
- (b) Except as provided below, the Security Agent may by notice to a Chargor convert the floating charge created by that Chargor under this Deed into a fixed charge as regards any of that Chargor's assets specified in that notice, if a Declared Default has occurred;
- (c) The floating charge created under this Deed may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under section IA to the Insolvency Act 1986.
- (d) The floating charge created under this Deed will (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge over such Chargor's assets:
 - (i) if, in respect of that Chargor, an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator;
 - (ii) on the convening of any meeting of the members of that Chargor to consider a resolution to wind-up or dissolve that Chargor (or not to wind-up that Chargor) or to make a compromise, assignment or arrangement with any creditor, in each case, to the extent it would constitute an Event of Default under the Senior Facilities Agreement (or any equivalent term in a Transaction Security Document);
 - (iii) if that Chargor creates, or purports to create, Security (except as expressly permitted by the Finance Documents or with the prior written consent of the

Security Agent) on or over any assets which is subject to the floating charge created under this Deed; or

- (iv) any third party takes any step with a view to levying distress, attachment, execution or other legal process against any such asset, in each case, to the extent it would constitute an Event of Default under the Senior Facilities Agreement (or any equivalent term in a Finance Document).

Upon the conversion of any floating charge pursuant this clause 2.9, each relevant Chargor shall, at its own expense, immediately upon request by the Security Agent, execute a fixed charge or legal assignment in such form as the Security Agent may require.

- (e) Provided that no Declared Default has occurred, the fixed charge created pursuant to paragraph (d) above will automatically convert back to a floating charge if:
 - (i) such appointment, or such notice of an intention to appoint an administrator is dismissed as frivolous or vexatious; or
 - (ii) an order to wind up the relevant Chargor is not passed.
- (f) The floating charge created under this Deed is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (g) The giving by the Security Agent of a notice under paragraph (b) above in relation to any asset of a Chargor will not be construed as a waiver or abandonment of the Security Agent's rights to give any other notice in respect of any other asset or of any other right of any other Secured Party under this Deed or any other Finance Document.

3. REPRESENTATIONS AND WARRANTIES - GENERAL

3.1 Times for making representations and warranties

- (a) The representations and warranties set out in this Deed are made by each Chargor on the date of this Deed, on each Utilisation Date and on the first day of each Interest Period.
- (b) Each representation and warranty under this Deed is deemed to be repeated by each Chargor which becomes party to this Deed by a Deed of Accession, on the date on which that Chargor becomes a Chargor.
- (c) When a representation and warranty is deemed to be repeated, it is deemed to be made by reference to the circumstances existing at the time of repetition.

4. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create or agree to create, or allow to exist any Security on any of its assets; or
- (b) either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily dispose of all or any part of its assets,

unless expressly permitted under the Senior Facilities Agreement or this Deed.

5. INVESTMENTS

5.1 Investments

Each Chargor represents and warrants to each Secured Party that:

- (a) its Investments are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right; and
- (b) each Chargor (or a nominee, trustee, custodian or clearance system on its behalf) is the sole legal and beneficial owner of its respective Investments.

5.2 Certificated Investments

- (a) With respect to the Shares referred to in Part A of Schedule 2 (*Security Assets*), each Chargor shall by no later than the Closing Date (as defined in the Senior Facilities Agreement) deliver to the Security Agent:
 - (i) all original share certificates or other documents of title or evidence of ownership in relation to those Shares; and
 - (ii) executed and undated stock transfer forms in order to enable the transferee to be registered as the owner or otherwise obtain a legal title to such Shares,
- (b) As soon as possible after its acquisition of any certificated Investment or upon the withdrawal of any Investment from CREST, each Chargor:
 - (i) must promptly deposit with the Security Agent, or as the Security Agent may direct, any bearer instrument, share certificate or other document of title or evidence of ownership in relation to that Investment; and
 - (ii) must promptly take any action and execute and deliver to the Security Agent any share transfer or other document which may be requested by the Security Agent in order to enable the transferee to be registered as the owner or otherwise obtain a legal title to that Investment; this includes:
 - (1) delivering executed and (unless exempt from stamp duty), pre-stamped share transfers in favour of the Security Agent or any of its nominees as transferee or, if the Security Agent so directs, with the transferee left blank; and
 - (2) procuring that those share transfers are registered by the company in which the Investments are held and that share certificates in the name of the transferee are delivered to the Security Agent.

5.3 Changes to rights

No Chargor may (except to the extent expressly permitted or otherwise not prohibited by the Senior Facilities Agreement and the Intercreditor Agreement) take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Shares being issued.

5.4 Calls

- (a) Each Chargor must pay all calls and other payments due and payable in respect of any of its Investments.
- (b) If a Chargor fails to do so, the Security Agent may pay those calls or other payments on behalf of that Chargor. That Chargor must immediately on request reimburse the Security

Agent for any payment made by the Security Agent under this Subclause 5.4(b) and, pending reimbursement, that payment will constitute part of the Secured Obligations.

5.5 Obligations in respect of Investments

- (a) Each Chargor must comply with all conditions and obligations assumed by it in respect of any of its Investments except to the extent expressly permitted by the Senior Facilities Agreement.
- (b) No Secured Party will be required in any manner to:
 - (i) perform or fulfil any obligation of a Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount,

in respect of any Investment.

5.6 Voting rights

- (a) Before this Security becomes enforceable, each Chargor will continue to exercise the voting rights, powers and other rights in respect of its Investments, which does not prejudice the interests of the Secured Parties and does not adversely affect the existence of the Security Assets or the validity or enforceability of the Security or cause an Event of Default to occur.
- (b) Before this Security becomes enforceable, if the relevant Investments have been registered in the name of the Security Agent or its nominee, the Security Agent (or that nominee) must exercise the voting rights, powers and other rights in respect of the Investments in any manner which, subject to 5.6(a), the relevant Chargor may direct in writing and, for these purposes, and notwithstanding any term of any other Finance Document to the contrary, each other Finance Party in approving the terms of and instructing the Security Agent to enter into this Deed consents to the Security Agent acting as the Chargor may so direct in such circumstances. The Security Agent (or that nominee) will execute any form of proxy or other document which the relevant Chargor may reasonably require for this purpose.
- (c) Before this Security becomes enforceable, all dividends or other income or distributions paid or payable in relation to any Investments must be paid to the relevant Chargor subject to the terms of the Senior Facilities Agreement. To achieve this:
 - (i) the Security Agent or its nominee will promptly execute any dividend mandate necessary to ensure that payment is made direct to the relevant Chargor; or
 - (ii) if payment is made directly to the Security Agent (or its nominee) before this Security becomes enforceable, the Security Agent (or that nominee) will promptly pay that amount to the relevant Chargor.
- (d) Before this Security becomes enforceable, the Security Agent shall use its reasonable endeavours to promptly forward to the relevant Chargor all material notices, correspondence and/or other communication it receives in relation to the Investments.

- (e) After this Security has become enforceable, the Security Agent or its nominee may exercise or refrain from exercising:
 - (i) any voting rights; and
 - (ii) any other powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise, in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by any Chargor.
- (f) To the extent that the Investments remain registered in the names of the Chargors, each Chargor irrevocably appoints the Security Agent or its nominee as its proxy to exercise all voting rights in respect of those Investments at any time after this Security has become enforceable.
- (g) Each Chargor must indemnify the Security Agent against any cost, loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of its Investments on the direction of that Chargor.
- (h) After this Security has become enforceable, each Chargor shall hold any dividends, distributions and other monies paid or derived from the Investments on trust for the Secured Parties and pay the same to, or as directed by, the Security Agent.

5.7 Clearance systems

- (a) After this Security has become enforceable, each Chargor must, if so requested by the Security Agent:
 - (i) instruct any clearance system to transfer any Investment held by it for that Chargor or its nominee to an account of the Security Agent or its nominee with that clearance system; and
 - (ii) take whatever action the Security Agent may request for the dematerialisation or rematerialisation of any Investments held in a clearance system.
- (b) Without prejudice to the rest of this Clause 5.7 the Security Agent may, at the expense of the relevant Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Investments as necessary.

5.8 Custodian arrangements

Each Chargor must:

- (a) promptly give notice of this Deed to any custodian of any Investment in any form which the Security Agent may reasonably require; and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Agent may reasonably require within 20 days of the date of this Deed or any Deed of Accession by which it became party to this Deed (provided that if such acknowledgment has not been obtained within the relevant 20 day period then the relevant Chargor's obligation to obtain such acknowledgment shall cease on the expiry of that 20 day period).

6. INTELLECTUAL PROPERTY

6.1 Representations

Each Chargor represents to each Secured Party that as at the date of this Deed or, if later, the date it became a Party, all Intellectual Property Rights which are material to its business are identified in Part D of Schedule 2 (*Security Assets*) opposite its name or in Part 5 of the schedule to any Deed of Accession by which it became party to this Deed.

6.2 Preservation

Each Chargor must promptly, if requested to do so by the Security Agent (acting reasonably), sign or procure the signature of, and comply with all instructions of the Security Agent in respect of, any document required to make entries in any public register of Intellectual Property Rights (including the United Kingdom Trade Marks Register) which either record the existence of this Deed or the restrictions on disposal imposed by this Deed.

7. ACCOUNTS

7.1 Accounts

Each Chargor must maintain its Bank Accounts at an Approved Bank.

7.2 Change of Account Bank

- (a) If there is a change of Account Bank, the net amount (if any) standing to the credit of the Bank Accounts maintained with the old Account Bank will be transferred to the corresponding Bank Accounts maintained with the new Account Bank immediately upon the appointment taking effect and each Chargor hereby irrevocably gives all authorisations and instructions necessary for any such transfer to be made.
- (b) Each Chargor:
 - (i) must take any action which the Security Agent may reasonably require to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms); and
 - (ii) irrevocably appoints the Security Agent as its attorney to take any such action if that Chargor should fail to do so.

7.3 Withdrawals

- (a) No Chargor shall make any withdrawal from any Bank Account except:
 - (i) prior to a Declared Default, in the ordinary course of trade from any operating or current Bank Account (but not, for the avoidance of doubt, the Mandatory Prepayment Account or any other account which is specifically blocked under the terms of the Senior Facilities Agreement except as provided in paragraph (c) below); or
 - (ii) after a Declared Default, with the prior written consent of the Security Agent.
- (b) If an amount is withdrawn from a Bank Account as permitted by this Clause 7.3, that amount shall be automatically released from the fixed charge on that Bank Account on that withdrawal being made. However, if all or part of that amount is paid into another

Bank Account which is in credit or becomes in credit as a result, it shall automatically become subject to the fixed charge on that Bank Account.

- (c) Except with the prior written consent of the Security Agent or as expressly permitted under the Senior Facilities Agreement, no Chargor may withdraw any moneys (including interest) standing to the credit of the Mandatory Prepayment Account.
- (d) The Security Agent (or a Receiver) may (subject to the payment of any claims having priority to this Security and subject to the Intercreditor Agreement) withdraw amounts standing to the credit of the Mandatory Prepayment Account.
- (e) The Security Agent has sole signing rights on the Mandatory Prepayment Account. Except as expressly permitted under the Senior Facilities Agreement, no Chargor has access to any amount standing to the credit of the Mandatory Prepayment Account.

7.4 Notices of charge

Each Chargor shall within five Business Days of the date of this Deed or any Deed of Accession by which it becomes a party to this Deed notify the bank or financial institution at which its Bank Accounts are held of the Charges in Clause 2.4 (*Bank Accounts*) substantially in the form set out in Schedule 3 (*Form of Notice/Acknowledgement of Charge of Bank Account*) (or such other form as may be agreed between the Chargors and the Security Agent (acting reasonably)) and shall for a period of no longer than 20 Business Days from the date of such notice use its reasonable endeavours to procure that each recipient of any such notice signs and returns as soon as reasonably practicable an acknowledgment of receipt of such notice substantially in the form set out in Schedule 3 (*Form of Notice/Acknowledgement of Charge of Bank Account*).

8. RELEVANT CONTRACTS

8.1 Representations

Each Chargor represents to each Secured Party that:

- (a) all payments to it by any other party to any of its Relevant Contracts are not subject to any right of set-off or similar right;
- (b) there is no prohibition on assignment in any of its Relevant Contracts; and
- (c) its entry into and performance of this Deed will not conflict with any term of any of its Relevant Contracts.

8.2 Designation

The Chargors and the Security Agent will from time to time designate Relevant Contracts under paragraph (b) of the definition of Relevant Contracts in accordance with the Agreed Security Principles (as defined in the Senior Facilities Agreement).

8.3 Other undertaking

Each Chargor must:

- (a) duly and promptly perform its obligations under each of its Relevant Contracts except as expressly permitted under the Senior Facilities Agreement; and

- (b) supply the Security Agent and any Receiver with copies of each of its Relevant Contracts and any information and documentation relating to any of its Relevant Contracts requested by the Security Agent or any Receiver.

8.4 Rights

- (a) Subject to the rights of the Security Agent under paragraph (b) below, each Chargor must (in accordance with, or as required by, the terms of the Senior Facilities Agreement) diligently pursue its rights under each of its Relevant Contracts, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default under the terms of the Senior Facilities Agreement.
- (b) After this Security has become enforceable, the Security Agent may exercise (without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by the Chargor) any of that Chargor's rights under its Relevant Contracts.

8.5 Notices of assignment

The Parent on behalf of each Chargor must:

- (a) within five Business Days of the date of this Deed or any Deed of Accession by which it becomes a party to this Deed serve a notice of assignment, substantially in the form of Part A of Schedule 5 (*Form of Letter for Relevant Contracts*), on each of the other parties to each of its Relevant Contracts; and
- (b) use its reasonable endeavours to procure that each of those other parties acknowledges that notice, substantially in the form of Part B of Schedule 5 (*Form of Letter for Relevant Contracts*) within 20 days of the date of this Deed or any Deed of Accession by which it became party to this Deed or, if later, the date of entry into that Relevant Contract (as appropriate) (provided that if such acknowledgment has not been obtained within the relevant 20 day period then the relevant Chargor's obligation to obtain such acknowledgment shall cease on the expiry of that 20 day period).

9. INSURANCES

9.1 Rights

- (a) Subject to the rights of the Security Agent under paragraph (b) below, each Chargor must (in accordance with, or as required by, the terms of the Senior Facilities Agreement) diligently pursue its rights under each of its Insurances, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default under the terms of the Senior Facilities Agreement.
- (b) After this Security has become enforceable:
 - (i) the Security Agent may exercise (without any further consent or authority on the part of any Chargor and irrespective of any direction given by any Chargor) any of the rights of any Chargor in connection with any amounts payable to it under any of its Insurances;
 - (ii) each Chargor must take such steps (at its own cost) as the Security Agent may require to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in the name of that Chargor; and

- (iii) each Chargor must hold any payment received by it under any of its Insurances on trust for the Security Agent.

9.2 Notice

The Parent on behalf of each Chargor must:

- (a) within five Business Days of the date of this Deed or any Deed of Accession by which the Chargor becomes a party to this Deed give notice of this Deed to each of the other parties to each of the Insurances by sending a notice substantially in the form of Part A of Schedule 4 (*Forms of Letter for Insurances*); and
- (b) use its reasonable endeavours to procure that each such other party delivers a letter of undertaking to the Security Agent substantially in the form of Part B of Schedule 4 (*Forms of Letter for Insurances*) within 20 days of the date of this Deed or any Deed of Accession by which it became party to this Deed or, if later, the date of entry into that Insurance (as appropriate) (provided that if such acknowledgment has not been obtained within the relevant 20 day period then the relevant Chargor's obligation to obtain such acknowledgment shall cease on the expiry of that 20 day period).

10. WHEN SECURITY BECOMES ENFORCEABLE

10.1 Timing

This Security will become immediately enforceable on the occurrence of a Declared Default.

10.2 Enforcement

After this Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit or as the relevant Instructing Group may direct.

11. ENFORCEMENT OF SECURITY

11.1 General

- (a) The power of sale and any other power conferred on a mortgagee by law (including under section 101 of the Act) as varied or amended by this Deed will be immediately exercisable at any time after this Security has become enforceable.
- (b) For the purposes of all powers implied by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (c) Any restriction imposed by law on the power of sale (including under section 103 of the Act) or the right of a mortgagee to consolidate mortgages (including under section 93 of the Act) does not apply to this Security.
- (d) Any powers of leasing conferred on the Security Agent by law are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the Act).

11.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset:

- (a) to account as mortgagee in possession or for any loss on realisation; or
- (b) for any default or omission for which a mortgagee in possession might be liable.

11.3 Privileges

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by law (including the Act) on mortgagees and receivers duly appointed under any law (including the Act), except that section 103 of the Act does not apply.

11.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

11.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

11.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into such number of suspense accounts as it considers appropriate.

12. RECEIVER

12.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may from time to time appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

- (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Security Agent in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A to the Insolvency Act 1986.
- (e) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

12.2 Removal

The Security Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

12.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the Act) will not apply.

12.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of the relevant Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

12.5 Relationship with Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver or notwithstanding the appointment of a Receiver.

13. POWERS OF RECEIVER

13.1 General

- (a) A Receiver has all the rights, powers and discretions set out below in this Clause 13 in addition to those conferred on it by any law. This includes:

- (i) in the case of an administrative receiver, all the lights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

13.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

13.3 Carry on business

A Receiver may carry on any business of any Chargor in any manner it thinks fit.

13.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as it thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

13.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

13.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which it thinks fit.
- (c) Fixtures may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

13.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which it thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which it thinks fit (including the payment of money to a lessee or tenant on a surrender).

13.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.

13.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which it thinks fit.

13.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

13.11 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

13.12 Delegation

A Receiver may delegate its powers in accordance with this Deed.

13.13 Lending

A Receiver may lend money or advance credit to any customer of any Chargor.

13.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation or other works; and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

13.15 Other powers

A Receiver may:

- (a) do all other acts and things which it may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or by law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which it *would be capable of exercising if it were the absolute beneficial owner of that Security Asset*; and

use the name of any Chargor for any of the above purposes.

14. APPLICATION OF PROCEEDS

- (a) Unless otherwise determined by the Security Agent or a Receiver, all amounts from time to time received or recovered by the Security Agent or that Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security will be held by the Security Agent and applied in the order of priority set out in Clause 17.1 of the Intercreditor Agreement.
- (b) This Clause 14 is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of any Secured Party to recover any shortfall from any Chargor.

15. DELEGATION

15.1 Power of Attorney

The Security Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

15.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Agent or any Receiver may think fit.

15.3 Liability

Neither the Security Agent nor any Receiver will be in any way liable or responsible to any Chargor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any delegate or sub-delegate unless caused by its gross negligence or wilful misconduct.

16. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and each of their respective delegates and sub-delegates to be its attorney to:

- (a) take any action which that Chargor is obliged to take under this Deed which:
 - (i) prior to the occurrence of a Declared Default, the Chargor has failed to take within ten Business Days of a notice from the Security Agent being served on the relevant Chargor (with a copy of such notice being sent to the Parent); and
 - (ii) on or after the occurrence of a Declared Default, the Chargor has failed to take; and
- (b) after an occurrence of a Declared Default, to take any action which the Security Agent thinks fit in connection with the exercise of its rights, powers or discretions under this Deed, including but not limited to, as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal, deliver and otherwise perfect and do any deed, assurance, agreement instrument, act or thing which it ought to execute and do under the terms of this Deed.

Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

17. PRESERVATION OF SECURITY

17.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part or any other act, matter or thing.

17.2 Other Security

The Security constituted by this Deed is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Deed hold for any of the Secured Obligations, and this Security may be enforced against each Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

17.3 Reinstatement

If any payment by an Obligor or any discharge given by a Secured Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor will continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Secured Party will be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

17.4 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (including without limitation and whether or not known to it or any Secured Party). This includes:

- (a) any time or waiver granted to, or composition with, any Obligor or person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement;
- (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, any other person;
- (d) 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;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (f) any amendment of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security or the failure by any member of the Group to enter into or be bound by any Finance Document; or
- (h) any insolvency, resolution or similar proceedings.

17.5 Immediate recourse

- (a) 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 right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other Obligor or any other person before claiming from that Chargor under this Deed.
- (b) This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may without affecting the liability of any Chargor under this Deed (and subject to the terms of the Finance Documents):

- (a)
 - (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) against those amounts; or
 - (ii) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of that Chargor's liability under this Deed.

17.7 Non-competition

Unless:

- (a) all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full; or
- (b) the Security Agent otherwise directs,

no Chargor will, after a claim has been made or by virtue of any payment or performance by it under this Deed:

- (i) be subrogated to any rights, security or moneys held, received or receivable by any Secured Party (or any trustee or agent on its behalf);
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Chargor's liability under this Clause 17.7;
- (iii) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Secured Party (or any trustee or agent on its behalf); or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Chargor must hold in trust for and must immediately pay or transfer to the Security Agent for the Secured Parties any payment or distribution or benefit of security received by it contrary to this Clause 17.7 or in accordance with any directions given by the Security Agent under this Clause 17.7.

17.8 Release of Chargors' right of contribution

If any Chargor ceases to be a Chargor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Chargor:

- (a) that Chargor will be released by each other Chargor from any liability whatsoever to make a contribution to any other Guarantor arising by reason of the performance by any other Chargor of its obligations under the Finance Documents; and
- (b) each other Chargor will waive any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Secured Party under any Finance Document or of any other security taken under, or in connection with, any Finance Document where the rights or security are granted by or in relation to the aspects of the retiring Chargor.

17.9 Additional security

- (a) This Deed is in addition to and is not in any way prejudiced by:
 - (i) any other security or guarantee now or subsequently held by any Secured Party; and
 - (ii) *any security given by any Chargor to any settlement bank in connection with the Chargor's membership of CREST.*
- (b) No prior security held by any Secured Party (in its capacity as such or otherwise) over any Security Asset will merge into this Security.
- (c) In this Deed, settlement bank has the meaning given to it in the Uncertificated Securities Regulations 2001.

17.10 Limitations

The obligations of any Additional Chargor are subject to the limitations (if any) set out in the Deed of Accession executed by that Additional Chargor.

17.11 Security held by Chargor

No Chargor may, without the prior written consent of the Security Agent, hold any security from any other Obligor in respect of that Chargor's liability under this Deed (except as permitted under the Finance Documents). Each Chargor will hold any security held by it in breach of this provision on trust for the Security Agent.

18. MISCELLANEOUS

18.1 Covenant to pay

Each Chargor must pay or discharge the Secured Obligations in the manner provided for in the Finance Documents.

18.2 Enforcement and preservation costs

Each Chargor shall, within three Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under this Agreement and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

18.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, any Secured Party may open a new account with any Obligor.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) *As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Obligation.*

18.4 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any Finance Document or otherwise, if any time deposit matures on any account a Chargor has with any Secured Party within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party in its absolute discretion considers appropriate unless that Secured Party otherwise agrees in writing.

18.5 Notice to Chargor

This Deed constitutes notice in writing to each Chargor of any charge or assignment by way of security that may at any time be created or made under any Transaction Security Document by any member of the Group in respect of any obligation or liability under any agreement, instrument or other document to which that member is a party.

18.6 Security Agent Provisions

- (a) The Security Agent executes this Deed as security agent in the exercise of the rights, powers and authority conferred and vested in it under the Senior Facilities Agreement and any other Finance Document for and on behalf of the Secured Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Deed in the manner provided for in the Senior Facilities Agreement and, in so acting, the Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Senior Facilities Agreement and the other Finance Documents.
- (b) The Security Agent shall not owe any fiduciary duties to any party to this Deed or any of their directors, employees, agents or affiliates.

- (c) Notwithstanding any other provisions of this Deed, in acting under and in accordance with this Deed the Security Agent is entitled to seek instructions from the Secured Parties in accordance with the provisions of the Senior Facilities Agreement and at any time, and where it so acts or refrains from acting on the instructions of a Secured Party or Secured Parties entitled to give it instructions, the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

18.7 Financial Collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargors under this Deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) the Security Agent shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (b) For the purpose of paragraph (a) above, the value of the financial collateral appropriated shall be determined in accordance with and having regard to the requirements of Clause 13.4 of the Intercreditor Agreement.

19. RELEASE

At the end of the Security Period, the Security Agent must, at the request and cost of the Parent, take whatever action is reasonably necessary to release the Security Assets from this Security.

20. COUNTERPARTS

This Deed may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

21. GOVERNING LAW

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

22. INDEMNITY

The rights, powers and indemnities in favour of the Security Agent set forth in the Intercreditor Agreement are repeated herein as set out in full.

23. ENFORCEMENT

23.1 Jurisdiction of English courts

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

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 23.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
THE ORIGINAL CHARGORS

Chargor	Company Number
Parent	09346246
Company	09329266
Cornish Cottage Holidays Limited	04717186
Cottage Holidays (Carlisle) Ltd	07463275
Self Catering Travel Ltd	07730563
Sykes Cottages Ltd	04469189
Helpful Holidays (Holdings) Limited	08632456
Helpful Holidays Limited	03800436
West Country Cottages Ltd	03741255

SCHEDULE 2
SECURITY ASSETS

Part A
Shares

Chargor	Name of company in which shares are held	Class of shares held	Numbers of shares held
Parent	Company	Ordinary	1
Company	Cornish Cottage Holidays Limited	Ordinary	45,000
	Cottage Holidays (Carlisle) Limited	Ordinary	100
	Self-Catering Travel Ltd	Ordinary	10,000
	Sykes Cottages Limited	Ordinary	100
	Helpful Holidays (Holdings) Limited	Ordinary	13,436
Helpful Holidays (Holdings) Limited	Helpful Holidays Limited	Ordinary	10,100
Helpful Holidays Limited	West Country Cottages Ltd	Ordinary	1,025

Part B
Bank Accounts

Chargor	Description of Account	Currency	Account Number	Bank
Cornish Cottage Holidays Limited	Current account	GBP	██████	National Westminster Bank Plc
	Reserve account	GBP	██████	National Westminster Bank Plc
	Current account	GBP	██████	National Westminster Bank Plc
	Current account	GBP	██████	Lloyds Bank plc
	Deposit account	GBP	██████	Lloyds Bank plc
	Instant access account	GBP	██████	Lloyds Bank plc
Sykes Cottages Limited	Deposit account	GBP	██████	National Westminster Bank Plc
	Current account	GBP	██████	National Westminster Bank Plc
	Current account	GBP	██████	National Westminster Bank Plc
	Reserve account	GBP	██████	National Westminster Bank Plc
	EUR account	EUR	██████████	National Westminster Bank Plc
	USD account	USD	██████████	National Westminster Bank Plc
Go-Sykes Limited	Current account	GBP	██████	National Westminster Bank Plc

KING & SPALDING

Chargor	Description of Account	Currency	Account Number	Bank
Sykes Cottages Holdings Limited	Current account	GBP	██████	National Westminster Bank Plc
Helpful Holidays Limited	Current account	GBP	██████	National Westminster Bank Plc
	Reserve account	GBP	██████	National Westminster Bank Plc
	Reserve account	GBP	██████	National Westminster Bank Plc
	Current account	GBP	██████	HSBC Bank plc
	Deposit account	GBP	██████	HSBC Bank plc
	Current account	GBP	██████	HSBC Bank plc
	Home owner account	GBP	██████	HSBC Bank plc
	Overseas receipts account	GBP	██████	HSBC Bank plc
West Country Cottages Ltd	Current account	GBP	██████	National Westminster Bank Plc
	Reserve account	GBP	██████	National Westminster Bank Plc
Cottage Holidays (Carlisle) Ltd	Current account	GBP	██████	National Westminster Bank Plc
	Current account	GBP	██████	Clydesdale Bank PLC
Sykes Cottages Ltd	Current account	GBP	██████	Allied Irish Bank
	Deposit account	GBP	██████	Allied Irish Bank

SCHEDULE 3

FORM OF NOTICE/ACKNOWLEDGEMENT OF CHARGE OF BANK ACCOUNT

To: [Institution where Security Account is held]

[Address]

[Date]

Dear Sirs

GLAS Trust Corporation Limited (the **Security Agent**) and [•] (the **Chargor**) give notice that, by a charge contained in a Fixed and Floating Security Agreement dated __ December 2017 between, *inter alios*, the **Chargor** and the **Security Agent**, the **Chargor** charged to the **Security Agent** all its present and future right, title and interest in and to accounts with you (including the blocked account (the **Blocked Account**)) listed below (the **Charged Accounts**), including all moneys which may at any time be standing to the credit of any Charged Account.

Name of Charged Account	Account number
[•]	[•]
Name of Blocked Account	Account number
[•]	[•]

You are authorised and instructed, without requiring further approval from the Security Agent that, despite the charge over the Charged Accounts referred to above or the making of any payment by you to the Security Agent under or in connection with it, that:

- (a) except in respect of the Blocked Accounts (as defined above), the **Chargor** shall remain entitled to exercise all its rights, power and discretions under the Charged Accounts; and
- (b) except in respect of the Blocked Accounts (as defined above), you should continue to apply any amounts standing to the credit of the Charged Account or release any monies from the Charged Accounts as directed by the **Chargor**,

in each case unless and until you receive written notice from the Security Agent to the contrary which states the security under the Fixed and Floating Security Agreement detailed above has become enforceable, in which event all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Security Agent or as it directs.

You agree that, following notice from the Security Agent which states that the security under the Fixed and Floating Security Agreement above has become enforceable, you will:

- (a) disclose to the Security Agent if it so requests (without any reference to or further authority from the **Chargor** and without any enquiry by you as to the justification for such disclosure) such information relating to any Charged Account as the Security Agent may from time to time request;
- (b) comply with the terms of any written notice or instruction relating to the Security Account received by you from the Security Agent;

- (c) hold all sums standing to the credit of the Security Account to the order of the Security Agent;
- (d) pay or release any sum standing to the credit of the Security Account in accordance with the written instructions of the Security Agent; and
- (e) pay all sums received by you for the account of the Chargor to the credit of the Security Account of the Chargor with you.

This authority and instruction is irrevocable without the prior written consent of the Security Agent.

This Notice of Charge and any non-contractual obligations arising out of or in connection therewith are governed by English law.

Please acknowledge receipt of this Notice of Charge, and confirm that you will comply with the provisions of this Notice of Charge, by signing the acknowledgement on the attached copy of this Notice of Charge and returning that copy to the Security Agent at [•], marked for the attention of [•].

Yours faithfully

For and on behalf of

GLAS TRUST CORPORATION LIMITED

as Security Agent

For and on behalf of

[NAME OF CHARGOR]

as Chargor

We acknowledge receipt of the Notice of Charge of which this is a copy, confirm each of the matters referred to in the Notice of Charge and agree to comply with its terms.

We confirm that we have not received any other notice of charge or notice that any other person claims any rights or has any interest in respect of any Charged Account.

This Acknowledgement of Charge and any non-contractual obligations arising out of or in connection therewith are governed by English law

Yours faithfully

For and on behalf of

[Institution where Charged Account is held]

Date:

cc. [Chargor]

SCHEDULE 4
FORMS OF LETTER FOR INSURANCES

Part A
Form of Notice of Assignment

To: [Insurer]

Copy: [•]

[Date]

Dear Sirs

Fixed and Floating Security Agreement dated [•] December 2017 between Sykes Cottages Holdings Limited (the Parent) and others and GLAS Trust Corporation Limited (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement, each of the companies listed at the end of this notice as chargors (together the **Chargors**) has assigned by way of security in favour of GLAS Trust Corporation Limited as security agent and trustee for the Secured Parties referred to in the Security Agreement (the **Security Agent**) as first priority assignee all amounts payable to it under or in connection with the [policy/policies] identified in the schedule to this notice ([collectively,] the **Policy**) taken out with you by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts.

A reference in this letter to any amounts excludes all amounts received or receivable under or in connection with any third party liability insurance and required to settle a liability of an Obligor to a third party.

On behalf of each of the Chargors, we confirm that:

- (a) the relevant Chargor will remain liable under the Policy to perform all the obligations assumed by it under the Policy; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Policy.

The relevant Chargor will also remain entitled to exercise all of its rights under the Policy and you should continue to give notices under the Policy to the relevant Chargor, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, unless the Security Agent otherwise agrees in writing:

- (a) all amounts payable to the relevant Chargor under the Policy must be paid to the Security Agent; and
- (b) any rights of the relevant Chargor in connection with those amounts will be exercisable by, and notices must be given to, the Security Agent or as it directs.

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

We acknowledge that you may comply with the instructions in this letter without any further permission from us or any other Chargor and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

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

Yours faithfully

.....

For the Parent

for itself and as agent for

each of the other Chargors named below

CHARGORS

[the Parent]

[list other Chargors]

Part B
Form of Acknowledgment

To: GLAS Trust Corporation Limited

Copy: Sykes Cottages Holdings Limited

[Date]

Dear Sirs

Fixed and Floating Security Agreement dated [●] December 2017 between Sykes Cottages Holdings Limited (the Parent) and others and GLAS Trust Corporation Limited (the Security Agreement)

We confirm receipt from the Parent on behalf of certain chargors (the **Chargors**) of a notice dated [•] of an assignment by each Chargor upon the terms of the Security Agreement of all amounts payable to it under or in connection with any contract of insurance taken out with us by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts.

A reference in this letter to any amounts excludes all amounts received or receivable under or in connection with any third party liability insurance and required to settle a liability of an Obligor to a third party.

In consideration of your agreeing to the Chargors or any of them continuing their insurance arrangements with us we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) confirm that we have not received notice of the interest of any third party in those amounts and rights;
- (c) undertake to disclose to you without any reference to or further authority from the Parent or any of the other Chargors any information relating to those contracts which you may at any time request; and
- (d) undertake to notify you of any breach by any Chargor of any of those contracts and to allow you or any of the other Secured Parties (as defined in the Security Agreement) to remedy that breach.

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

Yours faithfully

.....

[Insurer]

SCHEDULE 5
FORM OF LETTER FOR RELEVANT CONTRACTS

Part A
Notice to Counterparty

To: [Counterparty]

Copy: [Security Agent]

[Date]

Dear Sirs

Fixed and Floating Security Agreement dated [●] December 2017 between Sykes Cottages Holdings Limited (the Parent) and others and GLAS Trust Corporation Limited (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement, each of the companies listed at the end of this notice as chargors (together the **Chargors**) has assigned in favour of GLAS Trust Corporation Limited as agent and trustee for the Secured Parties referred to in the Security Agreement (the **Security Agent**) as first priority assignee all of its rights in respect of [insert details of Relevant Contract(s)] (the Relevant Contract[s]).

On behalf of each of the Chargors, we confirm that:

- (a) the relevant Chargor will remain liable under each Relevant Contract to perform all the obligations assumed by it under that Relevant Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of any Relevant Contract.

The relevant Chargor will also remain entitled to exercise all of its rights under each Relevant Contract and you should continue to give notice under each Relevant Contract to the relevant Chargor, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, all of its rights will be exercisable by, and notices must be given to, the Security Agent or as it directs.

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

Please send to the Security Agent at 45 Ludgate Hill, London EC4M 7JU, United Kingdom with a copy to ourselves the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

We acknowledge that you may comply with the instructions in this letter without any further permission from us or any other Chargor and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

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

Yours faithfully

.....

(Authorised signatory)

For the Parent

for itself and as agent

For each of the other Chargors named below

CHARGORS

[the Parent]

[list other Chargors]

Part B
Acknowledgement of Counterparty

To: [Security Agent]

Copy: [the Parent]

[Date]

Dear Sirs

Fixed and Floating Security Agreement dated [●] December 2017 between Sykes Cottages Holdings Limited (the Parent) and others and GLAS Trust Corporation Limited (the Security Agreement)

We confirm receipt from Sykes Cottages Holdings Limited (the **Parent**) on behalf of certain chargors (the **Chargors**) of a notice dated [●] of an assignment on the terms of the Security Agreement of all of each Chargor's rights in respect of [insert details of the Relevant Contract(s)] (the **Relevant Contract(s)**).

We confirm that [I/we]:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any of the Relevant Contract[s];
- (c) undertake to disclose to you without any reference to or further authority from the Parent or any of the other Chargors any information relating to any of the Relevant Contract[s] which you may at any time request; and
- (d) undertake to notify you of any breach by any Chargor of any of the Relevant Contract[s] and to allow you or any of the other Secured Parties referred to in the Security Agreement) to remedy that breach.

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

Yours faithfully,

(Authorised signatory) [Counterparty]

SCHEDULE 6
FORM OF DEED OF ACCESSION

THE DEED is dated [•]

- (1) [•] (registered number [•]) with its registered office at [•] (the **Additional Chargor**);
- (2) [•] for itself as agent for each of the other Chargors under and as defined in the Security Agreement referred to below (the **Parent**); and
- (3) [•] as security agent for the Secured Parties under and as defined in the Intercreditor Agreement referred to below (the **Security Agent**).

BACKGROUND

- (A) The Additional Chargor is a [wholly-owned] Subsidiary of [the Parent].
- (B) The Parent has entered into a debenture (containing fixed and floating security) dated _____ 2017 (the **Security Agreement**) between the Parent, the other Chargors under and as defined in the Security Agreement and the Security Agent.
- (C) The Additional Chargor has agreed to enter into this Deed and to become a Chargor under the Security Agreement. The Additional Chargor will also, by execution of a separate instrument, become a party to the Intercreditor Agreement as an Obligor.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed. This Deed is a Transaction Security Document.

2. ACCESSION

With effect from the date of this Deed the Additional Chargor:

- (a) will become a party to the Security Agreement as a Chargor; and
- (b) will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor

3. SECURITY

- (a) Paragraphs (a) to (h) below apply without prejudice to the generality of Clause 2 (Accession) of this Deed.
- (b) All this Security:
 - (i) is created in favour of the Security Agent;
 - (ii) is security for the payment, discharge and performance of all the Secured Obligations; and

- (iii) is made where relevant with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c) Subject to paragraph (d) below, if an Additional Chargor assigns an agreement or any rights with respect to an agreement under this Deed (or charges an agreement by way of a first fixed charge) and the assignment or charge breaches a term of that agreement, the assignment or charge will not take effect.
- (d) After any Security created by this Deed has become enforceable, notwithstanding paragraph (c) above, in respect of any Relevant Contract if the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
 - (i) the Additional Chargor must promptly notify the Security Agent;
 - (ii) unless the Security Agent otherwise requires, the Additional Chargor must, and each other Additional Chargor must ensure that the Additional Chargor will, use all reasonable endeavours to obtain the consent as soon as practicable;
 - (iii) the assignment or charge will take effect once that consent is obtained; and
 - (iv) the Additional Chargor must promptly supply to the Security Agent a copy of the consent obtained by it.
- (e) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.
- (f) The fact that no or incomplete details of any Security Asset are inserted in the schedule to this Deed does not affect the validity or enforceability of this Security.
- (g) The Additional Chargor:
 - (i) charges by way of a first fixed charge all shares owned by it and specified in Part 1 of the schedule to this Deed;
 - (ii) charges by way of a first fixed charge all Plant and Machinery;
 - (iii) charges by way of a first fixed charge all of its rights in respect of each of its Bank Accounts specified in Part 2 of the schedule to this Deed;
 - (iv) assigns by way of security, subject to a proviso for reassignment on redemption
 - (1) all amounts payable to it under or in connection with each of its Insurances and all of its rights in connection with those amounts; and
 - (2) to the extent that they are not effectively assigned under paragraph (A) above, each Chargor charges by way of first fixed charge all amounts and rights described in paragraph (1) above;
 - (v) assigns by way of security, subject to a proviso for reassignment on redemption, all of its rights in respect of the agreements specified in Part 3 of the schedule to this Deed; and
 - (vi) charges by way of a first fixed charge all of its rights in respect of any Intellectual Property Rights specified in Part 4 of the schedule to this Deed.

4. MISCELLANEOUS

With effect from the date of this Deed:

- (a) the Security Agreement will be read and construed for all purposes as if the Additional Chargor had been an original party to the Security Agreement in the capacity of Chargor (but so that the Security created on this accession will be created on the date of this Deed);
- (b) any reference in the Security Agreement to this Deed and similar phrases will include this Deed and all references in the Security Agreement to Schedule 2 (*Security Assets*) (or any part of it) will include a reference to the schedule to this Deed (or relevant part of it); and
- (c) the Parent, for itself and as agent for each of the other Chargors under the Security Agreement, agrees to all matters provided for in this Deed.

5. LAW

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

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed

SCHEDULE

PART 1

SHARES

Name of company in which shares are held	Name of nominee (if any) by whom shares are held	Class of shares held	Number of shares held
---	---	-----------------------------	----------------------------------

[•]	[•]	[•]	[•]
-------	-------	-------	-------

[•]	[•]	[•]	[•]
-------	-------	-------	-------

PART 2

BANK ACCOUNTS

Description

[•]

PART 3

RELEVANT CONTRACTS¹

Description

[•]

PART 4

SPECIFIC INTELLECTUAL PROPERTY RIGHTS

Description

[•]

¹ Obligors to prepare notices and acknowledgments.

KING & SPALDING

SIGNATORIES (TO SECURITY AGREEMENT)

The Original Chargors

The Parent

EXECUTED as a deed by Michael Graham)
SYKES COTTAGES HOLDINGS LIMITED)

acting by)
and)

Director

In the Presence of:

Witness's Signature: _____

Name: _____

Address: _____

The Company

EXECUTED as a deed by Michael Graham)
GO-SYKES LIMITED)

acting by)
and)

Director

In the Presence of:

Witness's Signature: _____

Name: _____

Address: _____

EXECUTED as a deed by Michael Graham)
CORNISH COTTAGE HOLIDAYS)
LIMITED)

acting by)
and)

Director

In the Presence of:

Witness's Signature: _____

Name: _____

Address: _____

KING & SPALDING

EXECUTED as a deed by Michael Graham)
COTTAGE HOLIDAYS (CARLISLE) LTD)

acting by)
and)

Director

In the Presence of:

Witness's Signature: _____

Name: _____

Address: _____

Ben Edwards
One St Peter's Square, Manchester

EXECUTED as a deed by Michael Graham)
SELF CATERING TRAVEL LTD)

acting by)
and)

Director

In the Presence of:

Witness's Signature: _____

Name: _____

Address: _____

Ben Edwards
One St Peter's Square, Manchester

EXECUTED as a deed by Michael Graham)
SYKES COTTAGES LTD)

acting by)
and)

Director

In the Presence of:

Witness's Signature: _____

Name: _____

Address: _____

Ben Edwards
One St Peter's Square, Manchester

KING & SPALDING

EXECUTED as a deed by Michael Graham)
HELPFUL HOLIDAYS (HOLDINGS))
LIMITED)

acting by)
and)

Director

In the Presence of:

Witness's Signature:

Name:

Address:

Ben Edwards
One St Peters Square, Manchester

EXECUTED as a deed by Michael Graham)
HELPFUL HOLIDAYS LIMITED)

acting by)
and)

Director

In the Presence of:

Witness's Signature:

Name:

Address:

Ben Edwards
One St Peters Square, Manchester

EXECUTED as a deed by Michael Graham)
WEST COUNTRY COTTAGES LTD)

acting by)
and)

Director

In the Presence of:

Witness's Signature:

Name:

Address:

Ben Edwards
One St Peters Square, Manchester

KING & SPALDING

The Security Agent

**EXECUTED as a deed by
GLAS TRUST CORPORATION LIMITED**

acting by
and

In the Presence of:

Witness's Signature:

Name:

Anthony Stanford
Transaction Manager

Address:

45 Ludgate Hill
London EC4M 7JU

)
)
)
)
)
)
)

Director *Anthony Stanford*