



Registration of a Charge

Company Name: **BEAUMONT HOTEL PROPERTIES LIMITED**

Company Number: **11499684**



Received for filing in Electronic Format on the: **25/10/2022**

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Details of Charge

Date of creation: **19/10/2022**

Charge code: **1149 9684 0004**

Persons entitled: **MOUNT STREET MORTGAGE SERVICING LIMITED**

Brief description: **THE BEAUMONT HOTEL, 8 BALDERTON STREET, LONDON W1K 6TF (TITLE NUMBER: NGL984805) AND 2 PROVIDENCE COURT, LONDON W1K 6PR (TITLE NUMBER: NGL984806). FOR MORE DETAILS, PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

KIN YUE JASON WONG



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11499684

Charge code: 1149 9684 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th October 2022 and created by BEAUMONT HOTEL PROPERTIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th October 2022 .

Given at Companies House, Cardiff on 27th October 2022

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



Companies House



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

DATED 19 October 2022

BEAUMONT HOTEL PROPERTIES LIMITED

THE BEAUMONT HOTEL LIMITED

BEAUMONT HOTEL (MIDCO) LIMITED

AS CHARGORS

IN FAVOUR OF

MOUNT STREET MORTGAGE SERVICING LIMITED
AS THE SECURITY AGENT

SECURITY AGREEMENT

LATHAM & WATKINS

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THIS SECURITY AGREEMENT is made by way of deed on 19 October 2022 by:

- (1) **BEAUMONT HOTEL PROPERTIES LIMITED** (incorporated and registered in England and Wales with registered number 11499684) ("**Borrower**");
- (2) **THE BEAUMONT HOTEL LIMITED** (incorporated and registered in England and Wales with registered number 08031843) ("**BHL**"); and
- (3) **BEAUMONT HOTEL (MIDCO) LIMITED** (incorporated and registered in England with registered number 11637599) ("**MidCo**"),

(each a "**Chargor**") in favour of:

- (4) **MOUNT STREET MORTGAGE SERVICING LIMITED** as security trustee for each of the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Security Agreement:

"**Acceleration Event**" means the giving of notice pursuant to Clause 23.19 (*Acceleration*) of the Facility Agreement.

"**Assigned Loans**" means each and every sum payable from time to time by a Chargor to another Chargor pursuant to an Inter-company Loan Agreement and any other sum from time to time payable by any Transaction Obligor for the time being to any Chargor.

"**Excluded Assets**" means any assets or any interest in an asset subject to any Restriction.

"**Facility Agreement**" means the facility agreement between, among others, the Borrower, the Arranger, the Agent and the Security Agent (each as defined in that agreement) (as amended, varied, novated or supplemented from time to time) dated on or about the date hereof.

"**Insurance Rights**" has the meaning given to it in paragraph (c) of Clause 4.2 (*Assignment by way of Security*).

"**Intellectual Property**" means any patents, trade marks, service marks, designs, business and trade names, copyrights, database rights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, and the benefit of all applications and rights to use such assets in which each of the Borrower and BHL may from time to time have an interest.

"**Inter-company Loan Agreement**" means each inter-company loan agreement between the Borrower and a Guarantor.

"Mortgaged Property" means the freehold and leasehold property specified in Schedule 1 (*Mortgaged Property*).

"Real Property" means (including as provided in Clause 1.6 (*Real Property*)), the Mortgaged Property and any present or future freehold or leasehold or immovable property and any other interest in land or buildings and all rights relating thereto in which each of the Borrower and BHL has an interest.

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

"Related Assets" means all dividends, interest and other moneys payable in respect of any Relevant Share and all other rights, benefits and proceeds in respect of or derived from any Relevant Share (whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise) held by, to the order or on behalf of, Midco at any time.

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

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

"Relevant Share" means all Shares held by Midco from time to time in the Borrower and BHL.

"Restriction" means, in relation to any asset of BHL (other than the Mortgaged Property any material Occupational Leases, the Intercompany Loan Agreements, the Hedging Agreements, the Operating Account, the Transaction Account, the Working Capital Reserve Account and the General Account), any legal requirement or third party arrangement (including shareholder agreements, landlord consent requirements, contracts, leases, licensing arrangements or joint venture arrangements) which would prevent, prohibit, restrict, limit or condition absolutely or conditionally (whether by contract or otherwise) such asset from being subject to legal, valid, binding and enforceable Security (or if secured, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of BHL in respect of those assets or require BHL to take any action materially adverse to its interests).

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever) of each Obligor and each other Transaction Obligor to any Secured Party under each Finance Document.

"Secured Party" means the Security Agent, the Agent, the Hedge Counterparty, each Lender and the Arranger from time to time party to the Facility Agreement and any Receiver or Delegate.

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

"Security Period" means the period beginning on the date of this Security Agreement and ending on the date on which the Secured Liabilities have been irrevocably and unconditionally paid or discharged in full and no Finance Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor or any other Obligor under any of the Finance Documents.

"Share" means any stock, share, debenture or other security.

1.2 Terms defined in other Finance Documents

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

1.3 Construction

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facility Agreement will apply as if incorporated in this Security Agreement or in any notice given under or in connection with this Security Agreement, as if all references in that Clause to the Facility Agreement were a reference to this Security Agreement or that notice. Any reference in this Security Agreement to a matter being "permitted" under any document shall be deemed to also include a reference to such matter "not being prohibited" under such document.

1.4 Application of provisions in the Facility Agreement

- (a) Clauses 1.4 (*Third party rights*), 1.5 (*No investor recourse*), 1.6 (*Personal liability*), 8.4 (*Default interest*), 11 (*Tax gross-up and indemnities*), 13 (*Other indemnities*), 15 (*Costs and expenses*), 25.1 (*Assignments and transfers by Obligors*), 26.1 (*The Agent and Security Agent*), 30 (*Payment mechanics*), 31 (*Set-off*), 32 (*Notices*), 33.1 (*Accounts*), 33.2 (*Certificates and determinations*), 36 (*Amendments and waivers*) and 42 (*Enforcement*) of the Facility Agreement are deemed to form part of this Security Agreement as if expressly incorporated into it as if all references in those Clauses to the Facility Agreement were a reference to this Security Agreement.
- (b) Notwithstanding anything to the contrary in this Security Agreement, the terms of this Security Agreement shall not operate or be construed so as to prohibit or

restrict any transaction, matter or other step not prohibited by the Facility Agreement and the Security Agent shall promptly enter into such documentation and/or take such other action as is required by a Chargor (acting reasonably) in order to facilitate any such transaction, matter or other step, including by way of executing any confirmation, consent to dealing, release or other similar or equivalent document, **provided that** any costs and expenses incurred by the Security Agent entering into such documentation and/or taking such other action at the request of such Chargor pursuant to this paragraph shall be for the account of such Chargor, subject to clause 15 (*Costs and Expenses*) of the Facility Agreement.

- (c) Save for any permission or any right of any Chargor hereunder, this Security Agreement is subject to the Facility Agreement and in the event of a conflict between the provisions of this Security Agreement and the Facility Agreement, the provisions of the Facility Agreement (as applicable) shall prevail.

1.5 Security Document

This Security Agreement is a Security Document under the Facility Agreement.

1.6 Real Property

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

1.7 Present and future assets

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

1.8 Disposition of Property

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

1.9 Fixed Security

Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed charges*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Security Agreement and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Security Agreement or any act or omission by any

party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

1.10 Obligations

Each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

2. COVENANT TO PAY

Each of the Borrower and BHL covenants with the Security Agent (as trustee for the Secured Parties) that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

- (a) All the Security constituted by or pursuant to this Security Agreement is:
 - (i) created with full title guarantee;
 - (ii) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Security Agreement and the Security created by or pursuant to it on trust for the Secured Parties; and
 - (iii) continuing security for the payment and discharge of all the Secured Liabilities.
- (b) There shall be excluded from the Security created by Clause 4 (*Fixed Security*) and Clause 5 (*Floating Security*) and from the operation of Clause 7 (*Further Assurance*) any Excluded Asset of each Chargor.
- (c) Save as expressly required as a condition precedent under the Facility Agreements, no Chargor shall have any obligation to investigate title, review documentation or registers, provide surveys or other insurance, environmental or other due diligence or diligence of any potentially applicable Restriction, or to identify, satisfy or remove any such Restriction, in each case prior to, or as a condition of, entering into this Security Agreement or at any time thereafter.

4. FIXED SECURITY

4.1 Mortgage

The Borrower charges, by way of first legal mortgage, its Mortgaged Property.

4.2 Assignment by way of Security

Each of the Borrower and BHL assigns and agrees to assign absolutely subject to a proviso for reassignment on redemption (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage*) and to the

fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same), all of its rights, title and interest from time to time in and to each of the following assets:

- (a) any Occupational Leases;
- (b) any sums payable to or for the benefit of the Borrower and/or BHL arising from the letting, use or occupation of all or any part of any Mortgaged Property (other than amounts due to the Borrower and/or BHL from such tenants or other occupiers in respect of contributions to insurance premium and service charges in respect of costs incurred or to be incurred by the Borrower and/or BHL under any repairing or similar obligation and any value added tax or similar taxes payable on such amounts) and all sums payable and any other consideration given or to be given for the disposal of an interest in all or part of any Mortgaged Property;
- (c) all of its rights under any contract or policy of Insurance (but excluding any third party liability insurance, public liability insurance or directors' and officers' insurance) taken out by it or on its behalf or in which the Borrower and/or BHL may at any time have an interest (together, the "**Insurance Rights**");
- (d) any Hedging Agreement entered into by the Borrower and/or BHL and any Hedge Counterparty;
- (e) all of BHL's rights under the Hotel Management Agreement;
- (f) the Development Deed; and
- (g) the Assigned Loans.

4.3 **Fixed charges**

Each Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage*) or assigned pursuant to Clause 4.2 (*Assignment by way of Security*)) by way of first fixed charge, all of its rights, title and interest from time to time in and to each of the following assets:

- (a) the Real Property and all Related Rights;
- (b) the Intellectual Property and all Related Rights;
- (c) each account maintained by the Borrower and/or BHL and designated as the Operating Account, Transaction Account, Working Capital Reserve Account or the General Account (and, in each case, its interest in any replacement account or sub-account or sub-division of that account) and the debt or debts represented thereby and all other Related Rights;
- (d) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights;

- (e) any Hedging Agreement entered into or to be entered into by that Chargor and any Hedge Counterparty (subject to the application of any rights of set-off or netting provided for thereunder) and all Related Rights;
- (f) the Insurance Rights and all other Related Rights;
- (g) book and other debts and monetary claims owing to it and any proceeds of those debts and claims (including any claims or sums of money deriving from or in relation to any court order or judgment, the proceeds of any Insurance Rights, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor) and all Related Rights;
- (h) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress) and all Related Rights;
- (i) the benefit of any authorisation, consent, approval, resolution, licence exemption, filing, notarisation or registration held in connection with its use of any Security Asset;
- (j) goodwill and rights and claims in relation to its uncalled share capital;
- (k) rights to recover any VAT on any supplies made to it relating to the Security Assets and any sums so recovered;
- (l) the Development Documents; and
- (m) each of the assets which are specified in Clause 4.2 (*Assignment by way of Security*).

4.4 **Fixed charge over Shares**

Midco charges with full title guarantee in favour of the Security Agent (as trustee for the Secured Parties), with the payment and discharge of all the Secured Liabilities, by way of first fixed charge the Relevant Shares and Related Assets.

5. **FLOATING CHARGE**

5.1 **Floating charge**

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

5.2 Conversion of floating charge to fixed Security

- (a) The Security Agent (acting on the instructions of the Majority Lenders) may at any time, while this Security Agreement is enforceable in accordance with Clause 9 (*Enforcement of security*), by notice to any Chargor convert the floating charge constituted under Clause 5.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge which is specified in the notice.
- (b) In addition, without prejudice to any law which may have a similar effect, the floating charge constituted under Clause 5.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards the relevant Security Asset referred to below if:
 - (i) any Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facility Agreements), over any Security Asset that is material in the context of the Group as a whole; or
 - (ii) any person levies or attempts to levy any distress, execution or other process against any Security Asset that is material in the context of the Group as a whole to the extent that such action constitutes an Event of Default.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge and restriction on dealings

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

6.2 Notices of Security: Lease Documents, Insurances and Development Deed

On:

- (a) the date of this Security Agreement, in relation to: (A) all material Lease Documents with a pre-agreed counterparty relating to the Mortgaged Property; (B) all material Insurance Rights, in each case in existence on the date of this Security Agreement; and (C) the Development Deed; or
- (b) if later, within 10 Business Days upon the Security Agent's request following any Chargor entering into: (A) a material Lease Document with a pre-agreed counterparty relating to the Mortgaged Property or (B) any material Insurance Rights,

each Chargor shall:

- (i) deliver to the Security Agent (or its nominee) a duly executed notice addressed to each relevant person which is party to any such Lease Document, material Insurance Rights or the Development Deed, of the

Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 2 (*Leases and Insurances*); and

- (ii) use reasonable endeavours for a period of 10 Business Days to procure from each relevant person an acknowledgement substantially in the form set out in such notice of security, **provided that**, if the relevant Chargor has not been able to obtain such acknowledgement from the relevant person, any obligation to comply with this paragraph (ii) shall cease 10 Business Days following the date of the relevant notice.

6.3 **Notice of Security: Accounts**

Immediately upon the date of this Security Agreement in relation to each Account maintained by it which is the subject of the Security created by this Security Agreement, or if later, within 10 Business Days upon the opening by it of any other such Account which is the subject of the Security created by this Security Agreement, each Chargor shall:

- (a) deliver to the Security Agent a duly executed notice addressed to each relevant bank, building society or other person of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 3 (*Accounts*); and
- (b) use reasonable endeavours for a period of 10 Business Days to procure from each relevant person an acknowledgement substantially in the form set out in such notice of security, **provided that**, if the relevant Chargor has not been able to obtain such acknowledgement from the relevant person, any obligation to comply with this paragraph (b) shall cease 10 Business Days following the date of service of the relevant notice.

6.4 **Notice of Security: Assigned Loans**

The execution of this Security Agreement by each Chargor shall be deemed to constitute notice to such Chargor of the Security over the Assigned Loans granted by any other Chargor under this Security Agreement.

6.5 **Notice of Security: Assignment of moneys payable by each Chargor to the Parent under any inter-company loan agreement**

The execution of this Security Agreement by each Chargor shall constitute notice to, and acknowledgment by, each Chargor of the creation of security, by way of equitable assignment to the Security Agent, under the shareholder's security agreement dated on or about the date of this Agreement between the Parent and the Security Agent, of all of the Parent's right, title and interest in and to all moneys payable by each Chargor to the Parent under any inter-company loan agreement entered into, or to be entered into, between a Chargor and the Parent.

6.6 **Notice of Security: Development Documents**

Immediately on the occurrence of an Event of Default, in relation to all Development Documents in existence from time to time, each Chargor shall:

- (a) deliver to the Security Agent (or its nominee) a duly executed notice addressed to each Development Party of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 5 (*Development Documents*); and
- (b) use its reasonable endeavours for a period of 10 Business Days to procure from the relevant Development Party an acknowledgement substantially in the form set out in such notice of security, **provided that**, if the relevant Chargor has not been able to obtain such acknowledgement from the relevant Development Party, any obligation to comply with this paragraph (b) shall cease 10 Business Days following the date of service of the relevant notice.

6.7 Notice of Security: Hedging Agreements

Immediately upon the date of this Security Agreement, in relation to all Hedging Agreements in existence on the date of this Security Agreement, or if later, within 10 Business Days upon the Security Agent's request upon the entry into of any such Hedging Agreement, each Chargor shall:

- (a) deliver to the Security Agent (or its nominee) a duly executed notice addressed to each Hedge Counterparty of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 4 (*Hedging Agreements*); and
- (b) use its reasonable endeavours for a period of 10 Business Days to procure from the relevant Hedge Counterparty an acknowledgement substantially in the form set out in such notice of security, **provided that**, if the relevant Chargor has not been able to obtain such acknowledgement from the relevant Hedge Counterparty, any obligation to comply with this paragraph (b) shall cease 10 Business Days following the date of service of the relevant notice.

6.8 Deposit of title deeds

Each Chargor shall:

- (a) immediately upon the execution of this Security Agreement (and upon the acquisition by it of any interest in any Mortgaged Property at any time), either:
 - (i) deposit (or procure the deposit) with the Security Agent all deeds, certificates and other documents constituting or evidencing title to the Mortgaged Property ("**Title Documents**"); or
 - (ii) procure that the Title Documents are held to the order of the Security Agent by a firm of solicitors approved by the Security Agent (acting reasonably) for that purpose pursuant to an undertaking in a form approved by the Security Agent (acting reasonably) (an "**Acceptable Undertaking**"),

provided that this shall not prevent such solicitors lodging any Title Documents with HM Land Registry that are properly required to be lodged to support any application to register any such acquisition by the relevant Chargor and each Chargor shall procure that any such Title Documents that are lodged

are held to the order of the Security Agent as soon as they are returned by HM Land Registry; and

- (b) either (i) deposit with the Security Agent at any time thereafter any further such deeds, certificates, instruments of transfer and other documents relating to any Mortgaged Property ("**Ancillary Documents**"), or (ii) procure an Acceptable Undertaking in respect of the Ancillary Documents, promptly upon coming into possession of any of those items,

in each case unless already deposited or delivered pursuant to the Existing Facility Agreement and the applicable Security Agreement (as such term is defined therein).

6.9 **Delivery of Share Certificates**

Midco shall:

- (a) on the date of this Security Agreement, deposit with the Security Agent (or its nominee) (or procure the deposit of) all certificates or other documents of title to the Relevant Shares and stock transfer forms (executed in blank by it or on its behalf); and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares (or upon acquiring any interest therein), notify the Security Agent (or its nominee) of that occurrence and procure the delivery to the Security Agent of (a) all certificates or other documents of title representing such items and (b) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request,

in each case unless already deposited or delivered pursuant to the Existing Facility Agreement and the applicable Security Agreement (as such term is defined therein).

6.10 **Application to HM Land Registry**

The Borrower hereby consents to an application being made to HM Land Registry by the solicitors of the Borrower or of the Lenders to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Mortgaged Property.

"No disposition of the registered estate by the proprietor of the registered estate [, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register [or their conveyancer]."

6.11 **Further advances**

- (a) Subject to the terms of the Facility Agreements, each Lender is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Security Agreement as if set out in this Security Agreement.

- (b) Each Chargor consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

6.12 Assigned Loans

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

6.13 Rights of Chargors

Notwithstanding anything to the contrary set out in this Security Agreement, until the occurrence of an Acceleration Event:

- (a) each Chargor shall continue to have the sole right (i) to deal with any Security Assets and all contractual counterparties in respect thereof, and (ii) to amend, waive or terminate (or allow to lapse) any rights, benefits and/or obligations in respect of such Security Assets, in each case without reference to the Security Agent or any other Finance Party, subject only to the terms of the other Finance Documents; and
- (b) each Chargor shall continue to operate and transact business in relation to the Security Assets (including making withdrawals from its Accounts (other than the Working Capital Reserve Account and the Transaction Account)), other than to the extent set out in the other Finance Documents.

7. FURTHER ASSURANCE

7.1 Further assurance

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) Each Chargor shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require, but on terms no more onerous than those contained in this Security Agreement, Facility Agreement) in favour of the Security Agent or its nominee(s) to:
 - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Security Agreement (which may include the execution by that Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of

the Security Agent provided by or pursuant to this Security Agreement or by law;

- (ii) confer on the Security Agent Security over any asset or undertaking of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Security Agreement; and/or
- (iii) following the occurrence of an Acceleration Event, facilitate the realisation of the Security Assets.

8. ACCOUNTS

The Security Agent (acting on the instructions of the Majority Lenders) may, at any time on behalf of any Secured Party while this Security Agreement is enforceable in accordance with Clause 9 (*Enforcement of security*), without prior notice:

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

9. SHARES: VOTING RIGHTS AND DIVIDENDS

9.1 Voting rights and dividends prior to an Acceleration Event

Prior to the occurrence of an Acceleration Event, Midco shall:

- (a) be entitled to receive all dividends, interest and other moneys arising from the Relevant Shares; and
- (b) exercise all voting rights in relation to the Relevant Shares.

9.2 Voting rights and dividends after an Acceleration Event

Upon the occurrence of an Acceleration Event, the Security Agent may, at its discretion, and without obligation (in the name of Midco or otherwise and without any further consent or authority from Midco):

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares;
- (b) apply all dividends, interest and other moneys arising from the Relevant Shares in accordance with Clause 14 (*Application of moneys*);

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

in each case, having opted to exercise (or refrain from exercising), the Security Agent shall do so in the manner and on the terms the Security Agent thinks fit acting on instructions of the Majority Lenders, and the proceeds of any such action shall form part of the Relevant Shares.

9.3 **Shares: Voting rights generally**

Midco shall not exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares in any manner, or otherwise permit or agree to or concur or participate in any:

- (a) variation of the rights attaching to or conferred by all or any part of the Relevant Shares;
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Security Agreement;
- (c) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or
- (d) reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof), in relation to any company whose shares or other securities are included in the Relevant Shares,

which would prejudice the value of, or the ability of the Security Agent to realise, the security created by this Agreement **provided that** the proceeds of any such action shall form part of the Relevant Shares.

9.4 **Shares: Payment of calls**

Midco shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares, and in any case of default by it in such

payment, the Security Agent may, if it thinks fit and without obligation having been put in funds in advance, make such payment on its behalf in which case any sums paid by the Security Agent shall be reimbursed by Midco to the Security Agent (and from the Security Agent to the person putting it in funds) on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate from time to time applicable to unpaid sums specified in the Facility Agreement.

9.5 Shares: Security Agent liability

Midco shall continue to be responsible (notwithstanding anything to the contrary contained in this Security Agreement) for all liabilities and obligations in respect of the Relevant Shares and the Security Agent shall have no liability or obligation in relation to the Relevant Shares or any matter or proceeding arising out of or related thereto and, without limitation, shall be under no liability to Midco for exercising (or not exercising) its right to vote in respect of the Relevant Shares or to pay any calls, instalments or other payments which may become payable on the Relevant Shares or to accept any offer relating to the Relevant Shares or to notify Midco of any such matters.

9.6 Shares: PSC notices

Midco shall:

- (i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from the Borrower or BHL; and
- (ii) promptly provide the Security Agent with a copy of any such notice.

10. ENFORCEMENT OF SECURITY

10.1 Enforcement

On and at any time after the occurrence of an Acceleration Event, the Security created by or pursuant to this Security Agreement is, immediately enforceable and the Security Agent (or its nominee) may, without notice to any Chargor or prior authorisation from any court, in its absolute and sole discretion:

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

10.2 Effect of Moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 10.1 (*Enforcement*) or Clause 5.2 (*Conversion of floating charge to fixed Security*) where the right arises as a result of an Event of Default occurring solely due to any person

obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

11. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

11.1 Extension of powers

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Security Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Security Agreement, **provided that** such power shall not be exercisable until after the occurrence of an Acceleration Event.

11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Security Agreement with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent (acting on the instructions of the Majority Lenders) without notice to any Chargor on or at any time after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*).

11.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Agent (acting on the instructions of the Majority Lenders) at any time on or after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*) and the Security Agent (acting on the instructions of the Majority Lenders) and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply.
- (c) The Borrower and BHL shall not have, at any time during the Security Period, the power pursuant to Section 99 of the Law of Property Act 1925 to make any lease in respect of any Real Property without the prior written consent of the Security Agent or as permitted pursuant to the terms of the Facility Agreement.

11.4 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Agent shall have the right following the occurrence of an Acceleration Event to appropriate (acting on the instructions of the Majority Lenders) all or any part of that Security Asset in or towards the payment or discharge of the Secured Liabilities and may exercise such

right to appropriate upon giving written notice to the Chargors. For this purpose, a commercially reasonable method of valuing a Security Asset shall be, in the case of cash, the amount standing to the credit of each Account or to the credit of any other account with any bank, building society, financial institution or otherwise, together with any accrued but unposted interest, at the time of appropriation.

The parties agree that the method of valuation provided for in this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

12. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

12.1 Appointment and removal

At any time when the Security created by or pursuant to this Security Agreement is enforceable in accordance with Clause 9 (*Enforcement of Security*), the Security Agent (acting on the instructions of the Majority Lenders) may by deed or otherwise (acting through an authorised officer of the Security Agent):

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

12.2 Capacity of Receivers

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

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and

- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

12.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Security Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets.

13. POWERS OF RECEIVERS

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

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

14. APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Security Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and

payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Facility Agreement.

15. PROTECTION OF PURCHASERS

15.1 Consideration

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

15.2 Protection of purchasers

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

16. POWER OF ATTORNEY

16.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver and any Delegate severally to be its attorney and in its name, on its behalf and as its act and deed when an Event of Default is continuing to execute, deliver and perfect all documents and do all things which the attorney may consider to be required for:

- (a) carrying out any obligation imposed on any Chargor by this Security Agreement or any other Finance Document binding on such Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets); and
- (b) enabling the Security Agent and any Receiver or Delegate to exercise or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Security Agreement or by law (including, after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*), the exercise of any right of a legal or beneficial owner of the Security Assets).

16.2 Ratification

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

17. EFFECTIVENESS OF SECURITY

17.1 Continuing security

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

17.2 Cumulative rights

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

17.3 No prejudice

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

17.4 Remedies and Waivers

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

17.5 No liability

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

- (a) to account as a mortgagee or mortgagee in possession and if and whenever the Security Agent or any Receiver enters into possession of any Security Asset, it will be entitled at any time to go out of such possession; or

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

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

17.6 Partial invalidity

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

17.7 Waiver of defences

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

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any Security;
- (d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Liabilities; and

- (g) any insolvency or similar proceedings.

17.8 Chargor intent

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

17.9 Immediate recourse

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

17.10 Deferral of rights

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

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

If each Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all

amounts which may be or become payable to any Secured Party by the Obligors under or in connection with this Security Agreement to be repaid in full on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 14 (*Application of Moneys*).

18. PRIOR SECURITY INTERESTS

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

19. SUBSEQUENT SECURITY INTERESTS

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

20. SUSPENSE ACCOUNTS

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

21. RELEASE OF SECURITY

21.1 Release of Security

Upon the expiry of the Security Period, or at any other time to the extent required to facilitate any disposal or other transaction permitted under the Facility Agreement, the Security Agent (acting on the instructions of the Majority Lenders) shall, at the request and cost of each Chargor, take any action, including preparing and delivering all documents and instruments (including any termination or release letter or deed) and performing all acts or deeds (including returning title documents, share certificates, related share transfer forms and any other document belonging to such Chargor which are, in each case, in the Security Agent's possession and sending notifications to account banks, counterparties and insurers) which are, in each case, necessary to release and/or cancel the security constituted by this Security Agreement and/or to procure the reassignment to that Chargor of the property and assets assigned to the Security Agent pursuant to this Security Agreement, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

21.2 Clawback

If any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Security Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged. No interest shall accrue on any such amount, unless and until such amount is so avoided or set aside.

22. SET-OFF

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

23. DISCRETION AND DELEGATION

23.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Security Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons, **provided that** such discretion is exercised in accordance with the Finance Documents.

23.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Security Agreement (including the power of attorney) on such terms and conditions as

it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

24. TRANSFERS

No Chargor may assign or otherwise transfer any of its rights and obligations under this Security Agreement.

25. SUCCESSORS

25.1 Security Agent successors

This Security Agreement shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent, and references to the Security Agent shall include any transferee, assignee or successor in title of the Security Agent and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Security Agreement or to which, under such laws, those rights and obligations have been transferred, **provided that** such transfer, assignment or assumption is in accordance with the Facility Agreement.

25.2 Disclosure

The Security Agent shall be entitled (in its absolute and sole discretion) to disclose such information concerning any Chargor or any other person and this Security Agreement as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by applicable law, in each case to the extent permitted under the Facility Agreement.

26. SECURITY AGENT PROTECTIONS

- (a) The Security Agent executes this Security Agreement in the exercise of its rights, powers and authority conferred and vested in it under the Facility 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 Security Agreement in the manner provided for in the Facility Agreement and, in so acting, it shall have the protections, immunities, limitations of liability, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facility Agreement and the other Finance Documents.
- (b) The Security Agent shall not owe any fiduciary duties to any party to this Security Agreement or any of their directors, employees, agents or affiliates.
- (c) Notwithstanding any other provision of this Security Agreement, in acting under and in accordance with this Security Agreement, the Security Agent is entitled to seek instructions from the Majority Lenders in accordance with the provisions of the Facility Agreement at any time, and where it so acts or refrains from acting on the instructions of the Majority Lenders, the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

27. **GOVERNING LAW**

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

28. **JURISDICTION**

28.1 **English courts**

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

28.2 **Convenient Forum**

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

28.3 **Exclusive Jurisdiction**

Notwithstanding Clause 28.1 (*English courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

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

**SCHEDULE 1
MORTGAGED PROPERTY**

Chargor Name	Property Description	Title Number
Beaumont Hotel Properties Limited	The Beaumont Hotel, 8 Balderton Street, London W1K 6TF	NGL984805
	2 Providence Court, London W1K 6PR	NGL984806

SCHEDULE 2
LEASES AND INSURANCES

PART A
NOTICE OF SECURITY: LEASES

To: [Headlease holder/Tenant]

Date: []

Dear Sirs,

We give you notice that, by a Security Agreement dated [] 2022, we have created security in favour of [Mount Street Mortgage Servicing Limited] (the "**Security Agent**") as trustee for the Secured Parties over all our rights, title and interest in and to the [*describe Lease (date/term/parties/premises)*] (including all moneys payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "**Lease**").

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

[*Sub-Leases only*: All payments under or arising under the Lease shall continue to be paid into our account called ["Beaumont Hotel Properties Limited - Operating Account",] Account number [] sort code [].]

Please note that, at any time following the occurrence of an Acceleration Event (as defined in the Security Agreement):

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

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

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

Yours faithfully

[*Chargor Name*]

PART B
NOTICE OF SECURITY: INSURANCES

To: [Insurer]

Date: []

Dear Sirs,

We give you notice that, by a Security Agreement dated [] 2022, we have created security in favour of [Mount Street Mortgage Servicing Limited] (the "**Security Agent**") as trustee for the Secured Parties over all our rights, title and interest in, and to the [*describe Insurances including policy number*] effected by us or on our behalf in relation to the risk to [*describe Property*] (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**").

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

With effect from your receipt of this notice we irrevocably instruct and authorise you to name the Security Agent as co-insured and first loss payee in respect of any claim or series of connected claims in excess of £100,000 (other than in respect of any claim under any public liability or third party liability insurance).

Please note that, at any time following the occurrence of an Acceleration Event (as defined in the Security Agreement):

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

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

Yours faithfully

[*Chargor Name*]

PART C
ACKNOWLEDGEMENT OF NOTICE OF SECURITY

To: Mount Street Mortgage Servicing Limited as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Mount Street Mortgage Servicing Limited (the "**Security Agent**") over all of the Chargor's rights, title and interest in and to the [Lease/Policy] (as specified in that notice) to which we are a party.¹

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or interest of any third party in, the [Lease/Policy].

We further confirm that:

- 1. no termination of such rights, title and interest will be effective unless we have given the Security Agent [30] days' written notice of the proposed termination, specifying the action necessary to avoid such termination; [and]²
- 2. the Chargor will remain liable to perform all its obligations under the [Lease/Policy] and the Security Agent is under no obligation of any kind whatsoever under the [Lease/Policy] nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the [Lease/Policy][.]; and]
- 3. [*Insurances:* no breach or default on the part of the Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of that breach to the Security Agent specifying how to make good that breach.]

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

[*Insurances:* We confirm that we have made all necessary arrangement for the Security Agent to be named as co-insured and first loss payee in respect of any claim or series of connected claims in excess of £100,000 (other than in respect of any claim under any public liability or third party liability insurance)].

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

¹ Acknowledgement from landlord of leases in respect of which a Chargor is tenant to include these paragraphs only.

² Insurance notice only.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.³

Yours faithfully

[Tenant/Insurer]

cc. [*Chargor Name*]

³ Acknowledgement from landlord of leases in respect of which a Chargor is tenant to include these paragraphs only.

**SCHEDULE 3
ACCOUNTS**

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

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

Date: []

Dear Sirs

We give you notice that, by a Security Agreement dated [] 2022, we have created security in favour of Mount Street Mortgage Servicing Limited (the "**Security Agent**") as trustee for the Secured Parties over the account[s] and all moneys (including interest) from time to time standing to the credit of the account[s] listed below and the debt or debts represented thereby.

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

Account Name[s]: []

Sort Code[s]: []

Account No[s]: []

(the "**Account[s]**")

[Insert the following if notifying an assignment of, or charge over, the Working Capital Reserve Account and the Transaction Account:

With effect from the date of your receipt of this notice:

- (a) [any existing payment instructions affecting the above Account[s] are to be terminated and all payments and communications in respect of the Account[s] should be made to the Security Agent or to its order (with a copy to us)] *[insert agreed operating procedures which should be stated to be revocable at any time on notice from the Security Agent]; and*
- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Account[s] are exercisable by, or at the direction of, the Security Agent.]

[Insert the following if notifying a charge over the Operating Account, General Account or any other account:

We further instruct and authorise you to act only in accordance with the Security Agent's instructions following receipt by you of a notice of the occurrence of an Event of Default issued by the Security Agent. Until such notice is received by you, we are authorised by the Security Agent to receive, withdraw or otherwise transfer any credit balance from time to time on the Account subject to the provisions of the facility agreement, in each case, made between, among others, us as borrower and the Security Agent dated [●] 2022.]

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

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

Yours faithfully

[*Chargor Name*]

PART B
ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK

To: Mount Street Mortgage Servicing Limited as Security Agent

Date: []

Dear Sirs

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

We confirm that:

- (a) we will comply with the terms of that notice; and
- (b) we have not received notice of any prior security over or interest of any third party in [any of] the Account[s]. [We confirm that we will not, without the Security Agent's prior written consent, amend or vary any rights attaching to the Account[s].]⁴

[We will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account to the Security Agent.]⁵

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

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

Yours faithfully

[Bank or other financial institution holding the Account]

cc. [*Chargor Name*]

⁴ Insert if notifying an assignment of, or charge over, the Working Capital Reserve Account.

⁵ Insert if notifying an assignment of, or charge over, the Working Capital Reserve Account.

**SCHEDULE 4
HEDGING AGREEMENTS**

**PART A
NOTICE OF ASSIGNMENT**

To: [Hedge Counterparty]

Date: []

Dear Sirs,

We give you notice that by a Security Agreement dated [] 2022 we have created security in favour of Mount Street Mortgage Servicing Limited (the "**Security Agent**") over all our rights, title and interest in and to [details of relevant Hedging Agreement] (including all monies payable thereunder, but subject to the application of any rights of set-off or netting provided for thereunder) (the "**Hedging Agreement**").

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

With effect from the date of your receipt of this notice, following the occurrence of an Acceleration Event (as defined in the Security Agreement):

- (a) all payments by you to us under or arising from the Hedging Agreement shall be paid to the [Operating Account,] or otherwise at the direction of the Security Agent as it may specify in writing from time to time;
- (b) all remedies provided for in the Hedging Agreement or available at law or in equity shall be exercisable by, or at the direction of, the Security Agent; and
- (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the Hedging Agreements shall be exercisable by, or at the direction of, the Security Agent,

in each case, subject to the application of any rights of set-off or netting provided for in the Hedging Agreement.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [] marked for the attention of [].

This notice and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully,

For and on behalf of
[Chargor Name]

PART B
ACKNOWLEDGEMENT OF ASSIGNMENT

To: [Mount Street Mortgage Servicing Limited] as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Mount Street Mortgage Servicing Limited (the "**Security Agent**") of all the Chargor's rights, title and interest in and to the Hedging Agreement (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or the interest of any third party in, the Hedging Agreement.

We further acknowledge:

- 1. the right to exercise certain rights, title and interest (including certain termination rights) is subject to clause 8.3 (*Hedging*) of the Facility Agreement (as defined in the Security Agreement); and
- 2. the Chargor will remain liable to perform all its obligations under the Hedging Agreement and the Security Agent is under no obligation of any kind whatsoever under the Hedging Agreement nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Hedging Agreement.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to amounts owed to us by the Chargor (and the proceeds thereof) under the Hedging Agreement.

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

Yours faithfully

[Hedge Counterparty]

cc. [*Chargor Name*]

SCHEDULE 5
DEVELOPMENT DOCUMENTS

PART A
NOTICE OF ASSIGNMENT

To: [Development Party]

Date: []

Dear Sirs,

We give you notice that by a Security Agreement dated [] 2022 we have created security in favour of Mount Street Mortgage Servicing Limited (the "**Security Agent**") over all our rights, title and interest in and to [details of relevant Development Document] (including all monies payable thereunder, but subject to the application of any rights of set-off or netting provided for thereunder) (the "**Development Document**").

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

With effect from the date of your receipt of this notice, following the occurrence of an Acceleration Event (as defined in the Security Agreement):

- (a) all payments by you to us under or arising from the Development Document shall be paid to the [Operating Account,] or otherwise at the direction of the Security Agent as it may specify in writing from time to time;
- (b) all remedies provided for in the Development Document or available at law or in equity shall be exercisable by, or at the direction of, the Security Agent; and
- (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the Development Documents shall be exercisable by, or at the direction of, the Security Agent,

in each case, subject to the application of any rights of set-off or netting provided for in the Development Document.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [] marked for the attention of [].

This notice and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully,

For and on behalf of
[Chargor Name]

PART B
ACKNOWLEDGEMENT OF ASSIGNMENT

To: Mount Street Mortgage Servicing Limited as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [] of security created by [*Chargor Name*] (the "**Chargor**") in favour of Mount Street Mortgage Servicing Limited (the "**Security Agent**") of all the Chargor's rights, title and interest in and to the Development Document (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or the interest of any third party in, the Development Document.

We further acknowledge that the Chargor will remain liable to perform all its obligations under the Development Document and the Security Agent is under no obligation of any kind whatsoever under the Development Document nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Development Document.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to amounts owed to us by the Chargor (and the proceeds thereof) under the Development Document.

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

Yours faithfully

[Document Party]

cc. [*Chargor Name*]

EXECUTION PAGE

Chargors

EXECUTED AS A DEED by
BEAUMONT HOTEL PROPERTIES
LIMITED acting by

[Redacted Signature]

Signature of director

RICHARD FABER

Name of director

In the presence of:

[Redacted Signature]

Signature of witness

JACK HANDCOCK

Name of witness

FINANCE DIRECTOR

Position of witness

[Redacted Address]

Address of witness

EXECUTED AS A DEED by
THE BEAUMONT HOTEL LIMITED
acting by

[Redacted Signature]

)
)
)
)
Signature of director

Richard FABER

Name of director

In the presence of:

[Redacted Signature]

Signature of witness

JACK HANDCOCK
FINANCE DIRECTOR

Name of witness

Position of witness

Address of witness

[Redacted Address]

EXECUTED AS A DEED by
BEAUMONT HOTEL (MIDCO)
LIMITED
acting by



RICHARD FABER

Signature of director

Name of director

In the presence of:



JACK HANCOCK
FINANCE DIRECTOR

Signature of witness

Name of witness

Position of witness

Address of witness



Security Agent

Signed by)
MOUNT STREET MORTGAGE)
SERVICING LIMITED)
for and on its behalf)
by its duly authorised)
~~Officer~~)
signatory

