



Registration of a Charge

Company name: **WHITBREAD GROUP PLC**

Company number: **00029423**



X48COHCO

Received for Electronic Filing: **28/05/2015**

Details of Charge

Date of creation: **22/05/2015**

Charge code: **0002 9423 0029**

Persons entitled: **WHITBREAD PENSION FUND TRUSTEES AS TRUSTEE OF THE
WHITBREAD GROUP PENSION FUND**

Brief description: **(1) LONDON EUSTON PREMIER INN, 1 DUKE'S ROAD, LONDON WC1H
9FJ**

Contains fixed charge(s).

Contains floating charge(s) .

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

ELLIOT BRIERLEY, DWF LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 29423

Charge code: 0002 9423 0029

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd May 2015 and created by WHITBREAD GROUP PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th May 2015 .

Given at Companies House, Cardiff on 29th May 2015

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 22 May 2015

PREMIER INN HOTELS LIMITED

WHITBREAD GROUP PLC

- and -

WHITBREAD PENSION TRUSTEES
as trustee of the
Whitbread Group Pension Fund

LEGAL CHARGE

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THIS LEGAL CHARGE is entered into as a deed and dated

22 May

2015

BETWEEN:

1. **PREMIER INN HOTELS LIMITED** whose registered office is at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE (registered in England No. 5137608) and **WHITBREAD GROUP PLC** whose registered office is at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE (registered in England No. 29423) (together, the "**Chargors**");
2. **WHITBREAD GROUP PLC** whose registered office is at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE (registered in England No. 29423) ("**Group**"); and
3. **WHITBREAD PENSION TRUSTEES** whose registered office is at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE (registered in England No. 629992) as trustee of the Whitbread Group Pension Fund (the "**Trustee**").

WHEREAS:

- (A) Group is the Principal Employer under the Fund and Trustee is the sole trustee of the Fund.
- (B) Group has entered into the Deed of Covenant with the Trustee whereby Group has agreed to sign a schedule of contributions and recovery plan.
- (C) The Chargors, Group and the Trustee have agreed to enter into this Deed in order to provide security for Group's obligations in respect of the Deficit on the terms set out in this Deed.

THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

"Act"	means the Law of Property Act 1925.
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for general business in London.
"Certificate of Title"	means a certificate of title in the form agreed by the Parties addressed to the Trustee.
"Certificate Properties"	means the Mortgaged Property set out in Part 2 of Schedule 1.

"Chattels"	<p>means:</p> <ul style="list-style-type: none"> (a) all the plant and machinery and computer equipment of the Chargors present and future located at and used in connection with the Mortgaged Property and not regularly disposed of in the ordinary course of business; and (b) all furniture, furnishings, equipment, tools and other tangible moveable property of the Chargors present and future located at and used in connection with the Mortgaged Property and not regularly disposed of in the ordinary course of business <p>but excludes any Dispense Equipment and Washroom Equipment.</p>
"Deed of Covenant"	means the deed of covenant dated [*] made between Whitbread plc (1) Group (2) and the Trustee (3) as the same is amended, varied, restated or replaced from time to time.
"Deficit"	means the amount calculated by the Scheme Actuary (under an actuarial valuation within the meaning of section 224(2)(a) of the Pension Act 2004) to be equal to the amount by which the value of the assets of the Fund was less than the value of its liabilities on any date after the effective date of this Deed (as calculated under clause 3.4 of the Deed of Covenant).
"Dispense Equipment"	means all brewer supplied branded fonts.
"Event of Default"	means an event specified as such in Clause 5 (Default).
"Fixtures"	means all fixtures and fittings and fixed plant and machinery on the Mortgaged Property.
"Fund"	means the Whitbread Group Pension Fund.
"Insured Property Assets"	means the Premises and all the Chargors' other assets of an insurable nature in the Premises.
"Market Value"	means "Market Value" as that term is defined in the then current Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors and including an assumption that any property is to be exchanged as a fully equipped and operational entity, including the Fixtures and

	Chattels actually located at the Mortgaged Property.
"Material Adverse Effect"	means a material adverse effect on the ability of the Chargors and Group, taken as a whole, to perform their obligations under this Deed.
"Maximum Secured Amount"	<p>means the lesser of:</p> <p>(a) £180 million (or such residual amount after any releases made under Clause 19); and</p> <p>(b) an amount equal to the Deficit less:</p> <p>(i) £228 million; and</p> <p>(ii) the aggregate amount of all contributions made or to be made after the date as at which the Deficit was calculated, as set out in the Recovery Plan.</p>
"Mortgaged Property"	<p>means all freehold or leasehold property described in Part 1 of Schedule 1 and every part of it including:</p> <p>(i) all buildings and Fixtures on that property; and</p> <p>(ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargors in respect of that property or any moneys paid or payable in respect of those covenants.</p>
"Party"	means a party to this Deed.
"Premises"	means all buildings and erections situated on the Mortgaged Property.
"Property Criteria"	means those criteria listed in Schedule 3.
"Property Reports"	means the Certificates of Title and the Property Title Summaries.
"Property Title Summaries"	means the title summaries prepared by LG; Blake Laphorn; and Cobbetts in respect of each of the Mortgaged Property.
"Qualifying Property"	means freehold or leasehold property which satisfy the Property Criteria.

"Receiver"	means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed.
"Recovery Plan"	means such recovery plan as may from time to time be agreed between the Trustee and Group for the purposes of Section 226 Pensions Act 2004.
"Release"	has the meaning given to it in Clause 19 (Release where over-secured).
"Release Request Notice"	means a notice substantially in the form set out in Schedule 5.
"Release Valuation"	has the meaning given to it in Clause 19 (Release where over-secured).
"Reservations"	means: <ul style="list-style-type: none"> (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court and damages may be regarded as an adequate remedy; (b) the limitation on enforcement as a result of laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally; (c) the statutory time-barring of claims; (d) defences of set off or counterclaim; (e) rules against penalties and similar principles; (f) the fact that security which is described as fixed security may in fact be floating security; (g) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of stamp duty may be void; (h) the fact that a court may refuse to give effect to a purported contractual obligation to pay costs imposed upon another person in respect of costs of an unsuccessful litigation brought against that person or may not award by way of costs all of the expenditure incurred by a successful litigant in proceedings brought

before that court or that a court may stay proceedings if concurrent proceedings based on the same grounds and between the same parties have previously been brought before another court;

- (i) steps for perfection not required by the terms of this Deed to be taken.

"Scheme Actuary"	means the actuary appointed as actuary to the Fund for the purposes of Section 47(1) of the Pensions Act 1995.
"Secured Excess"	means the amount by which £180 million (or such residual amount after any release made under Clause 19) exceeds the Maximum Secured Amount.
"Secured Liabilities"	means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of Group to make payments to the Fund to a maximum of the Maximum Secured Amount.
"Security Assets"	means all assets of the Chargors the subject of any security created by this Deed.
"Security Interest"	means any mortgage, pledge, lien (other than a lien arising by operation of law), charge or other security interest securing any obligation of any person.
"Security Period"	means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.
"Statement of Principles"	means the statement of funding principles relating to the Fund as defined in the Deed of Covenant.
"Subsidiary"	means: <ul style="list-style-type: none">(a) a subsidiary within the meaning of section 1159 of the Companies Act 2006; and(b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

"Substituted Property"	has the meaning given to it in Clause 18 (Substitution).
"Substitution"	has the meaning given to it in Clause 18 (Substitution).
"Substitution Notice"	means a notice substantially in the form set out in Schedule 4.
"Substitution Property"	has the meaning given to it in Clause 18 (Substitution).
"Substitution Valuation Date"	has the meaning given to it in Clause 18 (Substitution).
"Valuation"	means a valuation of the Market Value of the Chargors' interest in the Security Assets by the Valuer, addressed to the Trustee.
"Valuer"	means BNP Paribas Real Estate or any other firm of valuers of appropriate recent experience in valuing property such as the Mortgaged Property or any Qualifying Property (as applicable) as may be appointed by Group and approved by the Trustee (acting reasonably) from time to time.
"Washroom Equipment"	means soap dispensers and other ancillary washroom cleaning equipment.
"Whitbread Group"	means Whitbread plc (whose registered office is at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE (registered in England No. 4120344) and its Subsidiaries from time to time.

1.2 Construction

- (A) In this Deed unless the contrary intention appears, a reference to:
- (i) an "authorisation" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (ii) "disposal" means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;
 - (iii) "this Security" means any security created by this Deed;
 - (iv) a "person" includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;

- (v) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which persons to which it applies are accustomed to comply) or any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (vi) a "currency" is a reference to the lawful currency for the time being of the relevant country;
 - (vii) a "provision of law" is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (viii) a "Clause", a "Subclause", a "Paragraph", a "Subparagraph" or a "Schedule" is a reference to a clause, subclause, paragraph or subparagraph of, or a schedule to, this Deed;
 - (ix) a "Party" or any other person includes its successors in title, permitted assigns and permitted transferees; and
 - (x) a "time of day" is a reference to London time.
- (B) Unless the contrary intention appears, a reference to a month or months is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding Subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of this Deed, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of this Deed.
- (d) The headings in this Deed do not affect its interpretation.
- (e) Any covenant of the Chargors under this Deed (other than a payment obligation) remains in force during the Security Period.

- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

2. CREATION OF SECURITY

2.1 General

All the security created under this Deed:

- (A) is created in favour of the Trustee as trustee for the Fund;
- (B) is security for the payment of all the Secured Liabilities; and
- (C) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Land

Each of the Chargors charges by way of first legal mortgage all its estate or interest in the Mortgaged Property.

2.3 Chattels

- (A) The Chargor charges, by way of fixed charge, all the Chattels.
- (B) The Chargor charges by way of a first floating charge, all the Chattels at any time not effectively charged pursuant to Clause 2.3(A).

2.4 Insurance

Each of the Chargors assigns absolutely, to the extent they are assignable and subject to a proviso for re-assignment on redemption, all its rights in respect of any insurance policies now or hereafter effected in respect of the Mortgaged Property or the Chattels.

3. REPRESENTATIONS

3.1 Representations

The representations set out in this Clause are made by each of the Chargors to the Trustee on the date of this Deed.

3.2 Status

Each of them is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

3.3 Powers and authority

Each of them has the power to enter into and perform, and has taken all necessary corporate and other action to authorise the entry into and performance of, this Deed.

3.4 Legal validity

Subject to the Reservations, this Deed is its legally binding, valid and enforceable obligation.

3.5 Non-conflict

The entry into and performance by it of this Deed do not conflict with:

- (A) any law or regulation applicable to it; or
- (B) its constitutional documents.

3.6 No default

- (A) Subject to Clause 3.6(B), no Event of Default has occurred and is outstanding.
- (B) For the purposes of this representation and in accordance with Clause 5.8, the Trustee confirms that, as at the date of this Deed, no event or series of events has occurred and is outstanding which, in its opinion, has or is likely to have a Material Adverse Effect.

3.7 Authorisations

All authorisations required by it in connection with entry into, performance, validity and enforceability of, and the transactions contemplated by this Deed have been obtained or effected (as appropriate) and are in full force and effect.

3.8 Litigation

As at the date of this Deed, no action or proceeding of or before any court or administrative tribunal in any jurisdiction has been commenced or (to its knowledge) is threatened to restrain or impair the execution or delivery by it of this Deed or the performance and compliance by it of, and with, the obligations expressed to be assumed by it therein or the legality, validity and enforceability of this Deed and which has or, if adversely determined, would be reasonably likely to have a Material Adverse Effect.

3.9 Information for Property Reports

- (A) The information provided to the lawyers who prepared any Property Report for the purpose of that Property Report was true in all material respects at the date it was expressed to be given;
- (B) the information referred to in Paragraph (A) above was at the date it was expressed to be given complete and did not omit any information which, if disclosed would make that information untrue or misleading in any material respect; and

- (C) as at the date of this Deed, nothing has occurred since the date of any information referred to in Paragraph (A) above which renders that information untrue or misleading in any respect and which, if disclosed, would make that information untrue or misleading in any material respect.

3.10 Title

Except as disclosed in any Property Report:

- (A) (subject to registration of its titles at the Land Registry) it is the legal and beneficial owner of the Mortgaged Property;
- (B) no breach of any law or regulation is outstanding which affects or might be reasonably likely to affect materially the value of the Mortgaged Property;
- (C) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters which materially adversely affect the value of the Mortgaged Property;
- (D) nothing has arisen or has been created or is subsisting which would be an overriding interest, or an unregistered interest which overrides first registration or registered dispositions, over the Mortgaged Property;
- (E) no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its use;
- (F) it has received no notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest in it, nor has any acknowledgement been given to any person in respect of the Mortgaged Property, which materially affect the value of the Mortgaged Property; and
- (G) the Mortgaged Property is held by it free from any Security Interest and subject only to the tenancies or licences specifically identified in any Property Report.

3.11 Ownership

All of the Security Assets in its name are owned by it and free from any and all encumbrances or third party interests.

3.12 Valuation

- (A) All information supplied by it or on its behalf to the Valuer for the purposes of the Valuation was true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given;
- (B) any financial projections contained in the information referred to in Paragraph (a) above have been prepared as at their date, on the basis of recent historical information and assumptions believed by it to be fair and reasonable;

- (C) to its knowledge, it has not omitted to supply any information which, if disclosed, would materially adversely affect the Valuation; and
- (D) to its knowledge, nothing has occurred since the date information referred to in Paragraph (a) above was supplied which, if it had occurred prior to the Valuation, would materially adversely affect the Valuation.

4. COVENANTS

4.1 General

Each of the Chargors agrees to be bound by the covenants set out in this Clause.

4.2 Notification of breach

Each of the Chargors must notify the Trustee of any breach of any of the provisions of this Deed promptly upon becoming aware of its occurrence.

4.3 Authorisations

Each of the Chargors must promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, this Deed.

4.4 Compliance with laws

Each of the Chargors must comply in all respects with all laws to which it is subject where failure to do so has or is reasonably likely to have a Material Adverse Effect.

4.5 Disposals and negative pledge

Each of the Chargors must not:

- (A) create or permit to subsist any Security Interest on any Security Asset;
- (B) sell, transfer, licence, lease or otherwise dispose of any Security Asset; or
- (C) agree to the assignment, variation or surrender of any lease affecting any Security Asset,

save as expressly permitted by clauses 18 and 19 of this Deed or with the written consent of the Trustee.

4.6 Repair

Each of the Chargors must keep or cause to be kept:

- (A) the Premises in good and substantial repair and condition (fair wear and tear excepted); and

- (B) the Fixtures and all plant and machinery and Chattels owned by it and which are in or on the Premises in a good state of repair and in good working order and condition.

4.7 Insurance

- (A) Each of the Chargors must insure the relevant Insured Property Assets against:
 - (i) those risks normally insured against by reasonably prudent persons carrying on the same class of business as that carried on by it; and
 - (ii) any other risks which the Trustee may reasonably requirein each case in an amount that is commercially reasonable and prudent and procure that the Trustee (as chargee) is named as co-insured.
- (B) All moneys received or receivable under any insurance in respect of the Insured Property Assets must be applied:
 - (i) in replacing, restoring or reinstating the Insured Property Assets destroyed or damaged or in any other manner which the Trustee may agree (acting reasonably); or
 - (ii) after an Event of Default has occurred, if the Trustee so directs and the terms of the relevant insurances allow, in or towards satisfaction of the Secured Liabilities.
- (C) The Chargors must not do or permit anything to be done which may make void or voidable any policy of insurance in connection with any Insured Property Asset.
- (D) The Chargors must promptly pay all premiums and do all other things necessary to keep each policy of insurance in respect of the Insured Property Assets in force.
- (E) Each of the Chargors must, promptly on written demand from the Trustee, produce to the Trustee the policy, certificate or cover note relating to any insurance policy in respect of the Insured Property Assets and the receipt for the payment of any premium for any such insurance policy as the Trustee may request.

4.8 Valuations

- (A) Group may at any time at its own expense, request the Scheme Actuary to prepare a valuation of the assets and liabilities of the Fund on the basis referred to in Clause 3.4 of the Deed of Covenant and the Trustee agrees to co-operate with any such valuation and to consent to the Scheme Actuary carrying out the same on the instructions of Group.

- (B) The Chargor shall promptly following written demand by the Trustee pay the costs of the Trustee incurred in co-operating with any request under Clause 4.8(C).
- (C) The Trustee may once in any calendar year at its own expense request from the Chargors a Valuation.
- (D) On receipt of a request from the Trustee pursuant to Clause 4.8(C) the Chargors shall cooperate with the Trustee in producing any Valuation.

4.9 Compliance with leases

Each of the Chargors must:

- (A) perform in all material respects the terms on its part contained in any lease comprised in the Mortgaged Property; and
- (B) promptly give notice to the Trustee if it receives notice under section 146 of the Act or any proceedings are commenced for forfeiture of any lease comprised in the Mortgaged Property or the lessor or any superior lessor attempts to re-enter the relevant Mortgaged Property thereunder and at the request of the Trustee and the expense of the relevant Chargor to take such steps as the Trustee reasonably may require in relation thereto.

4.10 Compliance with applicable laws and regulations

The Chargors must perform all their obligations under any law or regulation in any way related to or affecting the Mortgaged Property.

4.11 Notices

Each Chargor must, within 14 days after the receipt by such Chargor of any application, requirement, order or notice which may, in the Trustee's reasonable opinion, materially affect the value of the Mortgaged Property served or given by any public or local or any other authority with respect to the Mortgaged Property (or any part of it):

- (A) deliver a copy to the Trustee; and
- (B) inform the Trustee of the steps taken or proposed to be taken to comply with the relevant requirement.

4.12 Leases

- (A) Save as provided in sub-clause (B) the Chargors must not:
 - (i) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of any Mortgaged Property or any part of it; or

- (ii) accept a surrender of any lease or tenancy of any Mortgaged Property;
or
- (iii) confer upon any person any contractual licence or right to occupy the Mortgaged Property.

(B)

- (i) In respect of the Mortgaged Property at Euston the Chargors may grant leases of residential units to owners of flats claiming a right to extend their leases under any statutory provision; and
- (ii) In respect of the Mortgaged Property at Bristol, the Chargors may grant occupational leases of retail units provided that no fine or premium is levied.

4.13 H.M. Land Registry

The Chargors consent to the entry of a restriction in standard Form P in the following terms (or in such other revised form as the Land Registry may require) against the registered titles to the Mortgaged Property:

No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of Whitbread Pension Trustees referred to in the charges register or their conveyancer or without a certificate signed by a conveyancer that the provisions of clause 4.12(B) of the legal charge dated [date] and made between (1) Premier Inn Hotels Limited and Whitbread Group Plc (2) Whitbread Group Plc and (3) Whitbread Pension Trustees have been complied with.

4.14 Title deeds

Following the date of this Deed, the Chargors shall hold all deeds and documents of title relating to the Mortgaged Property expressly to the order of the Trustee.

4.15 Access

The Chargors must permit the Trustee and any person nominated by them at all reasonable times and on reasonable prior notice to enter any part of the Mortgaged Property and view its condition subject to compliance with applicable laws and regulations relating to health and safety and construction design management.

4.16 Power to remedy

- (A) If any Chargor breaches or fails to perform any obligation under this Deed affecting the Mortgaged Property within one month of notice from the Trustee requesting the Chargor to perform such obligation or remedy such breach, the relevant Chargor must allow the Trustee or its agents and contractors on reasonable prior notice to:

- (i) enter any part of the Mortgaged Property;
- (ii) comply with or object to any notice served on the Chargor in respect of the Mortgaged Property; or
- (iii) take any action as the Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of any such term; or
- (iv) comply with or object to any such notice,

Provided that the Trustee may act on such shorter notice period as it deems reasonable in circumstances where such breach or failure under this Deed may, in the Trustee's reasonable opinion, materially affect the value of the Mortgaged Property.

- (B) The relevant Chargor must promptly following written request by the Trustee pay the proper costs and expenses of the Trustee or its agents and contractors incurred in connection with any action taken by them under this Subclause.

4.17 Notices to tenants

The Chargors must:

- (A) promptly serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (Forms of letter for occupational tenants), on each tenant of the Mortgaged Property; and
- (B) use its reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (Forms of letter for occupational tenants).

5. DEFAULT

5.1 Events of Default

Each of the events set out in this Clause is an "Event of Default".

5.2 Breach of this Deed

Any Chargor does not comply with any term of this Deed unless the non-compliance:

- (A) is capable of remedy; and
- (B) is remedied within one month of the earlier of the Trustee giving notice to the relevant Chargor and the relevant Chargor becoming aware of the non-compliance.

5.3 Breach of the Deed of Covenant

Neither Whitbread Group nor Group makes a payment to the Fund when due under clause 3.3 of the Deed of Covenant.

5.4 Misrepresentation

A representation made by any Chargor in this Deed is incorrect or misleading in any material respect when made, unless the circumstances giving rise to the misrepresentation:

- (A) are capable of remedy; and
- (B) are remedied within one month of the earlier of the Trustee giving notice and to the relevant Chargor becoming aware of the non-compliance.

5.5 Insolvency proceedings

- (A) Except as provided below, either of the following occurs in respect of Group or any Chargor:
 - (i) any corporate action or other formal steps are taken or legal proceedings started or analogous action taken for the liquidation or winding-up or dissolution of any Chargor or Group or for the appointment of a receiver, trustee, administrative receiver, administrator or similar officer of any Chargor or Group over all or any of its revenues or assets (save for any corporate action or other formal steps which would not have a Material Adverse Effect); or
 - (ii) Group or any Chargor is unable or admits in writing its inability to pay its debts as they mature or commences negotiations with a view to, or takes any proceedings under any law for, a readjustment or deferment of all or any of its obligations or proposes, makes or enters into a general assignment, arrangement or composition with or for the benefit of its creditors (save for any corporate action or other formal steps which would not have a Material Adverse Effect).
- (B) Subclause 5.5(A) above does not apply to a petition for winding-up presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within 14 days.

5.6 Cessation of business

Group or any Chargor shall suspend or threaten to suspend all or a part of its operations which is substantial by comparison to the business of the Whitbread Group taken as a whole or all or a substantial part of its assets shall be expropriated by any governmental or other competent authority.

5.7 Effectiveness of this Deed

- (A) It is or becomes unlawful for any Chargor to perform any of its obligations under this Deed.

- (B) This Deed is not effective in accordance with its terms or is alleged by any Chargor to be ineffective in accordance with its terms for any reason.
- (C) Any Chargor repudiates this Deed or evidences an intention to repudiate this Deed.

5.8 Material adverse change

Any event or series of events occurs which, in the opinion of the Trustee, has or is reasonably likely to have a Material Adverse Effect.

6. WHEN SECURITY BECOMES ENFORCEABLE

6.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs and is outstanding.

6.2 Discretion

After this Security has become enforceable, the Trustee may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

6.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

7. ENFORCEMENT OF SECURITY

7.1 General

- (A) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (B) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (C) The statutory powers of leasing conferred on the Trustee are extended so as to authorise the Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Trustee may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

7.2 No liability as mortgagee in possession

No Trustee or any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable except

to the extent that they shall be caused by the fraud or wilful default or negligence of the Trustee or any Receiver or any of their respective officers, employees or agents.

7.3 Privileges

Each Receiver and the Trustee are entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

7.4 Protection of third parties

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

- (A) whether the Secured Liabilities have become payable;
- (B) whether any power which the Trustee or a Receiver is/are purporting to exercise has become exercisable or is being properly exercised;
- (C) whether any money remains due in respect of the Secured Liabilities; or
- (D) how any money paid to the Trustee or to that Receiver is to be applied.

7.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Trustee may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to themselves; 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 the Chargors.
- (b) The Chargors must pay to the Trustee, immediately on demand, the costs and expenses incurred by the Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

8. RECEIVER

8.1 Appointment of Receiver

- (A) Except as provided below, the Trustee may appoint any one or more qualified persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargors so request the Trustee in writing at any time.

- (B) Any appointment under Subclause 8.1(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 Trustee 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 of the Insolvency Act 1986.

8.2 Removal

The Trustee may by writing (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by them and may, whenever they think fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

8.3 Remuneration

Subject to Section 36 of the Insolvency Act 1986, the Trustee may fix the remuneration of any Receiver appointed by them and the maximum rate specified in Section 109(6) of the Act will not apply.

8.4 Agent of the Chargors

- (A) A Receiver will be deemed to be the agent of the Chargors 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. The Chargors alone are responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (B) No Trustee will incur any liability (either to the Chargors or to any other person) by reason of the appointment of a Receiver or for any other reason.

8.5 Relationship with Trustee

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 Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

9. POWERS OF RECEIVER

9.1 General

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

- (i) in the case of an administrative receiver, all the rights, 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 him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

9.2 Possession

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

9.3 Carry on business

A Receiver may carry on any business of the Chargors in any manner he thinks fit.

9.4 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 he thinks fit.
- (B) A Receiver may discharge any person appointed by the Chargors.

9.5 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.

9.6 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 he thinks fit and any property acquired by such exchange shall be charged to the Trustee as if it comprised part of the Security Assets at the date of this Deed.
- (B) The consideration for any such transaction may consist of 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 he thinks fit.
- (C) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargors.

9.7 Leases

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

9.8 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 the Chargors or relating in any way to any Security Asset.

9.9 Legal actions

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

9.10 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.

9.11 Subsidiaries

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

9.12 Delegation

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

9.13 Lending

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

9.14 Protection of assets

A Receiver may:

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

in each case as he thinks fit.

9.15 Other powers

A Receiver may:

- (A) do all other acts and things which he 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 law;
- (B) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (C) use the name of any Chargor for any of the above purposes.

10. APPLICATION OF PROCEEDS

Any moneys received by the Trustee or any Receiver after this Security has become enforceable must be applied in the following order of priority:

- (A) in or towards payment of or provision for all costs and expenses incurred by the Trustee or any Receiver under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;
- (B) in or towards payment of or provision for the Secured Liabilities; and
- (C) in payment of the surplus (if any) to the Chargors or other person entitled to it.

This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of the Trustee to recover any shortfall from the Chargors.

11. EXPENSES AND INDEMNITY

The Chargors must:

- (A) immediately on demand pay all costs and expenses (including legal fees) properly incurred in connection with this Deed by the Trustee, any Receiver, attorney, manager, agent or other person appointed by the Trustee under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and
- (B) keep each of them indemnified against any failure or delay in paying those costs or expenses.

12. DELEGATION

12.1 Power of Attorney

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

12.2 Terms

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

12.3 Liability

Neither the Trustee nor any Receiver will be in any way liable or responsible to the Chargors for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

13. FURTHER ASSURANCES

The Chargors must, at their own expense, take whatever action the Trustee or a Receiver may require for:

- (A) creating, perfecting or protecting any security intended to be created by this Deed; or
- (B) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

This includes:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to a Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

for the purposes set out in paragraphs (a) and (b) above which, in any such case, the Trustee may think reasonably expedient.

14. COVENANT TO PAY

The Chargors must pay or discharge the Secured Liabilities when due.

15. POWER OF ATTORNEY

The Chargors, by way of security, irrevocably and severally appoints the Trustee, each Receiver and any of its delegates or sub-delegates to be their attorney to take any action which the Chargors are obliged to take under this Deed but have not taken. The

Chargors ratify and confirm whatever any attorney does or purports to do under its appointment under this Clause.

16. PRESERVATION OF SECURITY

16.1 Continuing security

This Security is continuing and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

16.2 Reinstatement

- (A) If any discharge or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Chargor under this Deed will continue as if the discharge or arrangement had not occurred.
- (B) The Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

16.3 Waiver of defences

The obligations of the Chargors 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 (whether or not known to the Chargor or any Trustee). This includes:

- (A) any time or waiver granted to, or composition with, any person;
- (B) the release of any 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 person;
- (D) 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;
- (E) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (F) any amendment (however fundamental) of this Deed or any other document or security; or
- (G) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under this Deed or any other document or security.

16.4 Immediate recourse

The Chargors waive any right it may have of first requiring any Trustee to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargors under this Deed.

16.5 Appropriations

The Trustee may at any time during the Security Period without affecting the liability of the Chargors under this Deed:

- (A)
 - (i) refrain from applying or enforcing any other moneys, security or rights held or received by the Trustee in respect of those amounts; or
 - (ii) apply and enforce the same 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 the Chargors or on account of the liability of the Chargors under this Deed.

16.6 Non-competition

Unless:

- (A) the Security Period has expired; or
- (B) the Trustee otherwise directs,

the Chargors will not, after a claim has been made under this Deed 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 Trustee;
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Chargors' liability under this Deed;
- (iii) claim, rank, prove or vote as a creditor of Group or its estate in competition with any Trustee; or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of Group, or exercise any right of set-off as against Group.

The Chargors must hold in trust for and immediately pay or transfer to the Trustee any payment or distribution or benefit of security received by them contrary to this Clause or in accordance with any directions given by the Trustee under this Clause as directed by the Trustee.

16.7 Additional security

This Security is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Trustee.

17. CHANGES TO THE PARTIES

17.1 Assignments and transfers by the Chargor

None of the Chargors nor Group may assign or transfer any of its rights and obligations under this Deed other than with the prior written consent of the Trustee.

17.2 Assignments and transfers by the Trustees

The Chargors and Group acknowledge that the rights and obligations of the Trustee under this Deed may be transferred to the Pension Protection Fund as a result of the operation of section 161 of and Schedule 6 to the Pensions Act 2004.

18. SUBSTITUTIONS AND AMENDMENTS

(A) At any time while this Deed remains in force and before an Event of Default has occurred, the Chargors or Group shall have the right, subject to and in accordance with the remainder of this clause 18, to substitute the security created by this Deed over the whole or part of any Mortgaged Property with a fixed legal mortgage over any Qualifying Property of any Chargor or another member of the Whitbread Group (a "**Substitution**").

(B) To make a Substitution, any Chargor or Group must serve a properly completed Substitution Notice on the Trustee in accordance with clause 22 (Notices). The Substitution Notice must specify the date on which the Substitution is to take place (the "**Substitution Date**") and must specify, and state the Market Value of:

- (i) the Mortgaged Property (or any part of any Mortgaged Property) to be released from the security created by this Deed (the "**Substituted Property**"); and
- (ii) the Qualifying Property to be charged as replacement security for the Substituted Property (the "**Substitution Property**")

in each case valued as at a date no earlier than the date falling three months before the Substitution Date (the "**Substitution Valuation Date**").

(C) The Substitution will take place on the Substitution Date and each of the Chargors, Group and the Trustee shall co-operate (acting in good faith) to arrange for the formalities of:

- (i) the creation of a first legal mortgage over the Substitution Property in favour of the Trustee by deed expressed to be supplemental to this Deed to be held as part of the Mortgaged Property to secure the

Secured Liabilities, such supplemental deed of charge to be substantially in the form set out in Schedule 6 with such amendments as the parties agree (acting reasonably) and, where relevant, containing a covenant from the relevant Chargor (or such other member of the Whitbread Group as is the chargor of the Substitution Property) to be bound by all the covenants and provisions of this Deed which are expressed to be binding on the Chargor; and

- (ii) the release of the Substituted Property from the security created by this Deed, including such deed of release and/or Land Registry Form DS1 or DS3 as Group and the Chargors may reasonably require to give effect to the Substitution,

to be completed on the Substitution Date, or as soon after the Substitution Date as reasonably practicable, provided that the Trustee shall not be obliged to provide any of the release documentation referred to in Subclause 18(C)(ii) until the supplemental deed of charge referred to in Subclause 18(C)(i) has been completed.

- (D) Save where the provisions of clause 19 (Release where over-secured) apply, no Substitution shall be permitted unless the Market Value of the Substitution Property is greater than or equal to the Market Value of the Substituted Property as at the relevant Substitution Valuation Date.
- (E) A Substitution Notice may be revoked by Group at any time prior to the Substitution Date to which the Substitution Notice relates by notice to the Trustee.
- (F) All costs, fees and expenses incurred by the Trustee in respect of a Substitution shall be borne by Group and not by the Trustee.

19. RELEASE WHERE OVER-SECURED

- (A) Any Chargor or Group may, at any time when the Secured Excess is greater than zero submit to the Trustee a request that some or all of the Security Assets (the "**Release Property**") be released from this Security (a "**Release**").
- (B) To request a Release, the relevant Chargor or Group must serve a properly completed Release Request Notice on the Trustee in accordance with Clause 22 (Notices). The Release Request Notice must be served within three months after the date of signature by the Scheme Actuary of an actuarial valuation (within the meaning of section 224(2)(a) Pensions Act 2004) of the assets and liabilities of the Fund (the "**Valuation Date**"). The Release Request Notice must specify the date on which the Release is proposed to take place (the "**Release Date**") (which shall be not later than two months after the date of the Release Request Notice) and must specify:
 - (i) the Maximum Secured Amount as at the Valuation Date;
 - (ii) the Secured Excess as at the Valuation Date;

- (iii) the Market Value of the Security Assets as a whole as at the Valuation Date; and
 - (iv) the Market Value of the proposed Release Property as at the Valuation Date.
- (C) The relevant Chargor or Group must, at the same time that it submits a Release Request Notice to the Trustee, also provide the Trustee with a Valuation evidencing the Market Value of the Security Assets as a whole at the Valuation Date and this Valuation should specifically identify the Market Value of the proposed Release Property as at the Valuation Date.
- (D) The Trustee must consent to a Release Request Notice if (but only to the extent that) the Market Value of the proposed Release Property at the Valuation Date is no greater than the Secured Excess at the Valuation Date.
- (E) If the Trustee is satisfied that the Release Request Notice is valid the Release will take place on the Release Date and each of the Chargors, Group and the Trustee shall co-operate (acting in good faith) to take whatever action is necessary to release the Release Property from this Security (such action to include completion of such deed of release and/or Land Registry Form DS1 or DS3 and Land Registry RX3 as Group or the Chargors may reasonably require to give effect to the Release).
- (F) All costs, fees and expenses incurred by the Trustee in respect of a Release shall be borne by the Group and not by the Trustee.

20. SEVERABILITY

If a term of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (A) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
- (B) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.

21. COUNTERPARTS

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

22. NOTICES

22.1 In writing

- (A) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post or fax.

- (B) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

22.2 Electronic Communication

Any communication to be made between the Chargors and the Trustee under or in connection with this Deed may be made by electronic mail or other electronic means, if the Chargors and the Trustee:

- (A) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
- (B) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (C) notify each other of any change to their address or any other such information supplied by them.

22.3 Contact details

- (A) The contact details of the Chargors for this purpose are:

Address: Whitbread Court,
Houghton Hall Business Park,
Porz Avenue,
Dunstable,
Bedfordshire LU5 5XE

Fax number: 020 7806 5487

E-mail: simon.barratt1@whitbread.com

Attention: Simon Barratt.

- (B) The contact details of Group for this purpose are:

Address: Whitbread Court,
Houghton Hall Business Park,
Porz Avenue,
Dunstable,
Bedfordshire LU5 5XE

Fax number: 020 7806 5487

E-mail: simon.barratt1@whitbread.com

Attention: Simon Barratt.

- (C) The contact details of the Trustee for this purpose are:

Address: Whitbread Court,
Houghton Hall Business Park,
Porz Avenue,
Dunstable,
Bedfordshire LU5 5XE

Fax number: 01622 35 1736

E-mail: lesley.williams@whitbread.com and pensions@whitbread.com

Attention: Lesley Williams.

22.4 Effectiveness

- (A) Except as provided below, any communication in connection with this Deed will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
 - (iii) if by fax, when received in legible form
 - (iv) if by electronic mail, only when actually received in readable form and only if it is addressed in such a manner as the party receiving the notice shall specify for this purpose.
- (B) A communication given under Paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

23. LANGUAGE

Any notice given in connection with this Deed must be in English.

24. GOVERNING LAW

This Deed is governed by English law.

25. ENFORCEMENT

25.1 Jurisdiction

- (A) The English courts have non-exclusive jurisdiction to settle any dispute in connection with this Deed.
- (B) The English courts are the most appropriate and convenient courts to settle any such dispute.

This Deed has been entered into on the date stated at the beginning of this Deed.

**SCHEDULE 1
MORTGAGED PROPERTY**

PART 1 – Mortgaged Property

Site name	Address	Post code	Title number	Proprietor
London Euston Premier Inn	1 Duke's Road, London	WC1H 9FJ	LN162103	Premier Inn Hotels Limited
Bristol City Centre (Haymarket) Premier Inn	The Haymarket, Bristol	BS1 3LR	BL13711	Premier Inn Hotels Limited
London Tower Bridge Premier Inn	159 Tower Bridge Road, London	SE1 3LP	TGL4992	Premier Inn Hotels Limited
Manchester City Centre (Deansgate Lock) Premier Inn	Medlock Street, Manchester	M15 5JF	GM787703	Premier Inn Hotels Limited
Enfield Premier Inn	Innova Park, Enfield	EN3 7XU	AGL112423	Whitbread Group Plc
London Harrow Premier Inn	Kenton Road, Kenton	HA3 8AT	NGL811422	Whitbread Group Plc

PART 2 – Certificate Properties

None

SCHEDULE 2
FORMS OF LETTER FOR OCCUPATIONAL TENANTS

PART 1

NOTICE TO OCCUPATIONAL TENANT

[On the letterhead of the Chargor]

To: [Occupational tenant]

[Date]

Dear Sirs,

Re: [Property]

Legal Charge dated [●] between [Chargor] and Whitbread Pension Trustees as trustee of the Whitbread Group Pension Fund (the Legal Charge)

We refer to the lease dated [●] and made between [●] and [●] (the "**Lease**").

This letter constitutes notice to you that under the Legal Charge we have assigned by way of security to Whitbread Pension Trustees as trustee of the Whitbread Group Pension Fund (the "**Trustee**") all our rights under the Lease.

We irrevocably instruct and authorise you to continue to pay any rent payable by you under the Lease to our account at [●], Account No. [●], Sort Code [●] (the "**Rent Account**").

The instructions in this letter apply until you receive notice from the Trustee to the contrary and notwithstanding any previous instructions given by us.

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

This letter is governed by English law.

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Trustee at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE with a copy to ourselves.

Yours faithfully,

For
[CHARGOR]

PART 2

ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: Whitbread Pension Trustees
(as trustee of the Whitbread Group Pension Fund)
Whitbread Court,
Houghton Hall Business Park,
Porz Avenue,
Dunstable,
Bedfordshire LU5 5XE

Attention: [●]

[Date]

Dear Sirs,

Re: [Property]

Legal Charge dated [●] between [Chargor] and Whitbread Pension Trustees as trustee of the Whitbread Group Pension Fund

We confirm receipt from [Whitbread plc] (the Chargor) of a notice dated [●] (the "Notice") in relation to the Lease (as defined in the Notice).

We accept the instructions contained in the Notice.

We confirm that we:

- (a) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease (as defined in the Notice); and
- (b) must pay all rent and all other monies payable by us under the Lease into the Rent Account (as defined in the Notice); and
- (c) must continue to pay those monies into the Rent Account until we receive your written instructions to the contrary.

This letter is governed by English law.

Yours faithfully,

.....

For

[]

SCHEDULE 3
PROPERTY CRITERIA

At the Substitution Date the Qualifying Property must:

- (a) be situated in England or Wales;
- (b) be the subject of a Valuation from the Valuer dated not more than three months prior to the Substitution Date setting out the Market Value of the relevant Qualifying Property, such Valuation to be in a form acceptable to the Trustee (acting reasonably);
- (c) be the subject of a Certificate of Title from a solicitor dated not more than seven Business Days before the Substitution Date evidencing title to the relevant Qualifying Property that is acceptable to the Trustee (acting reasonably); and
- (d) in the case of leasehold property, not require the landlord's consent to charging or assignment.

**SCHEDULE 4
FORM OF SUBSTITUTION NOTICE**

To: Whitbread Pension Trustees
(as trustee of the Whitbread Group Pension Fund)
Whitbread Court,
Houghton Hall Business Park,
Porz Avenue,
Dunstable,
Bedfordshire LU5 5XE

Attention: [●]

From: [Chargor or Group]

[date of notice]

Re: Legal Charge dated [●] between [Chargor] and Whitbread Pension Trustees as trustee of the Whitbread Group Pension Fund (the "Legal Charge")

Substitution Notice

1. We refer to the Legal Charge. Unless otherwise defined in this notice, terms defined in the Legal Charge shall have the same meaning when used in this notice.
2. This is a Substitution Notice.
3. The Substitution Date is [●].
4. The Substitution Valuation Date is [●].
5. The Substituted Property is specified below, together with its Market Value as at the Substitution Valuation Date:

Description of Substituted Property	Market Value
1.	
2.	
Total Market Value of Substituted Property:	

7. The Substitution Property is specified below, together with its Market Value as at the Substitution Valuation Date:

Description of Substitution Property	Market Value
1.	
2.	
Total Market Value of Substitution Property:	

.....
Signed for and on behalf of
[Chargor or Group]

SCHEDULE 5
FORM OF RELEASE REQUEST NOTICE

To: Whitbread Pension Trustees
(as trustee of the Whitbread Group Pension Fund)
Whitbread Court,
Houghton Hall Business Park,
Porz Avenue,
Dunstable,
Bedfordshire LU5 5XE

Attention: [●]

From: [Chargor or Group]

[date of notice]

Re: Legal Charge dated [●] between [Chargor] and Whitbread Pension Trustees as trustee of the Whitbread Group Pension Fund (the “Legal Charge”)

Release Request Notice

1. We refer to the Legal Charge. Unless otherwise defined in this notice, terms defined in the Legal Charge shall have the same meaning when used in this notice.
2. This is a Release Request Notice.
3. The proposed Release Date is [●].
4. The Deficit and the Secured Liabilities (in both cases as set out in the enclosed Release Valuation) are £[●] and £[●] respectively.
5. The Secured Excess is £[●].
6. The Market Value of the Security Assets as set out in the Release Valuation is £[●].
7. The proposed Release Property is specified below, together with its Market Value:

Description of proposed Release Property	Market Value
1.	
2.	
Total Market Value of the proposed Release Property:	

8. The amount by which the Market Value of the Security Assets exceeds the Secured Excess is £[●].
9. We confirm that:
- (A) the Deficit (as set out in the Release Valuation) is less than or equal to [£180,000,000];
 - (B) the Market Value of the Security Assets (as set out in the Release Valuation) exceeds the Secured Excess; and
 - (C) the Market Value of the proposed Release Property is no greater than the amount by which the Market Value of the Security Assets exceeds the Secured Excess (in both cases as set out in the Release Valuation).

.....
Signed for and on behalf of
[Chargor or Group]

SCHEDULE 6
FORM OF SUPPLEMENTAL DEED OF CHARGE

THIS SUPPLEMENTAL CHARGE is entered into as a deed and dated

BETWEEN:

1. [●] whose registered office is at [Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE] (registered in England No. [●])([together], the "**Chargors**")]
2. **WHITBREAD GROUP PLC** whose registered office is at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE (registered in England No. 29423) ("**Group**"); and
3. **WHITBREAD PENSION TRUSTEES** whose registered office is at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE (registered in England No. 629992) as trustee of the Whitbread Group Pension Fund (the "**Trustee**").

WHEREAS:

- (A) Group is the Principal Employer under the Fund and Trustee is the sole trustee of the Fund.
- (B) The Chargors, Group and the Trustee, amongst others, have entered into the Legal Charge in order to provide security for Group's obligations in respect of the Deficit on the terms set out in the Legal Charge.
- (C) [Each of] the Chargar[s] enter into this Deed pursuant to Clause 18 of the Legal Charge in order to charge the Additional Property and the Additional Chattels in favour of the Trustee.
- (D) The Additional Property is "Qualifying Property" as defined in the Legal Charge.

THIS DEED WITNESSES as follows:-

1. INTERPRETATION

1.1 Definitions

In this deed:-

"Additional Chattels"	means the Chattels (if any) relating to the Additional Property.
"Additional Property"	means all freehold or leasehold property described in Schedule 1 and every part of it including: <ul style="list-style-type: none">(i) all buildings and Fixtures on that property; and(ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.
"Legal Charge"	means the Legal Charge dated [] 2015 made between (1) Premier Inn Hotels Limited and, Whitbread Group plc, (2) Whitbread Group plc and (3) Whitbread Pension Trustees as trustee of the Whitbread Group Pension Fund

1.2 Security Document

This Deed is supplemental to the Legal Charge.

1.3 Incorporation of provisions

The provisions of the Legal Charge shall apply to and be deemed to be incorporated in this Deed as if set out herein in full, mutatis mutandis, except that references to:

- (A) the "Deed" shall be construed as references to this Deed;
- (B) the "Mortgaged Property" shall be construed as including the Additional Property as defined in Clause 1.1; and
- (C) the "Chattels" shall be construed as including the Additional Chattels as defined in Clause 1.1.

1.4 Construction

- (A) In this Deed, unless otherwise specified, words or expressions defined in the Legal Charge but not otherwise defined in this Deed shall have the same meanings when used in this Deed.
- (B) In this Deed unless the contrary intention appears, a reference to a "Clause", a "Subclause", a "Paragraph", a "Subparagraph" or a "Schedule" is a reference to a clause, subclause, paragraph or subparagraph of, or a schedule to, this Deed.
- (C) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of this Deed, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of this Deed.
- (D) The headings in this Deed do not affect its interpretation.
- (E) Any covenant of the Chargors under this Deed (other than a payment obligation) remains in force during the Security Period.
- (F) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

2. CREATION OF SECURITY

2.1 General

All the security created under this Deed:

- (A) is created in favour of the Trustee as trustee for the Fund;
- (B) is security for the payment of all the Secured Liabilities; and
- (C) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Land

The Chargor charges by way of first legal mortgage all its estate or interest in the Additional Property.

2.3 Chattels

- (A) The Chargor charges, by way of fixed charge, all the Additional Chattels.

- (B) The Chargor charges by way of a first floating charge, all the Additional Chattels at any time not effectively charged pursuant to Clause 2.3(a).

2.4 Insurance

The Chargor assigns absolutely, to the extent they are assignable and subject to a proviso for re-assignment on redemption, all its rights in respect of any insurance policies now or hereafter effected in respect of the Additional Property or the Additional Chattels.

3. REPRESENTATIONS

The representations set out in Clause 3 of the Legal Charge are made by [each of] the Chargor[s] to the Trustee on the date of this Deed in respect of this Deed, the Additional Property and the Additional Chattels as if the Additional Property and Additional Chattels were comprised in the Mortgaged Property and the Chattels originally referred to in that Clause 3.

4. COVENANTS

- 4.1 [Each of] the Chargor[s] agrees to be bound by the covenants and provisions of the Legal Charge as if the Additional Property and the Additional Chattels were comprised in the Mortgaged Property and the Chattels originally therein defined.
- 4.2 [Each of] the Chargor[s] covenants that the Additional Property is a Qualifying Property as defined in the Legal Charge.

5. GOVERNING LAW

This Deed shall be governed by and construed in accordance with English law.

IN WITNESS WHEREOF the parties have executed this document as a deed and intend this deed to be delivered on the date first before written.

SCHEDULE 1
ADDITIONAL PROPERTY

Site name	Address	Post code	Title number	Local authority	Proprietor

EXECUTED AS A DEED by)
[•])
LIMITED)
acting by)

Director

Director/Secretary

Group (executing in its capacity as Group and as a Chargor)

EXECUTED AS A DEED by)
WHITBREAD GROUP PLC)
acting by)

Director

Director/Secretary

Trustee

EXECUTED AS A DEED by)
WHITBREAD PENSION TRUSTEES)
as trustee of the)
Whitbread Group Pension Fund)
acting by)

Director

Director/Secretary

Dated _____ 2015

[•] LIMITED

WHITBREAD GROUP PLC

- and -

WHITBREAD PENSION TRUSTEES
as trustee of the
Whitbread Group Pension Fund

SUPPLEMENTAL LEGAL CHARGE
to a Legal Charge
dated [] 2015

SIGNATORIES

Chargors

EXECUTED AS A DEED by
PREMIER INN HOTELS LIMITED
acting by

)
)
)
)

Director



Director / Secretary



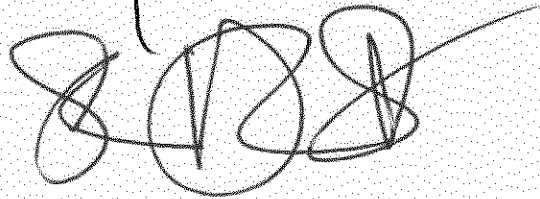
Group (executing in its capacity as Group and as a Chargor)

EXECUTED AS A DEED by)
WHITBREAD GROUP PLC)
LIMITED)
acting by)



Director

Director/Secretary



Trustee

EXECUTED AS A DEED by)
WHITBREAD PENSION TRUSTEES)
as trustee of the)
Whitbread Group Pension Fund)
acting by)

Director

Director/Secretary

Two handwritten signatures in black ink. The top signature appears to be 'K. Jones' and the bottom signature appears to be 'J. Arnold'.

