



Registration of a Charge

Company name: **EI GROUP PLC**

Company number: **02562808**



X7FAVZ49

Received for Electronic Filing: **26/09/2018**

Details of Charge

Date of creation: **25/09/2018**

Charge code: **0256 2808 0237**

Persons entitled: **LLOYDS BANK PLC (AS SECURITY AGENT)**

Brief description:

Contains fixed 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: **EXCEPT FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, 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: **ALLEN & OVERY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2562808

Charge code: 0256 2808 0237

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th September 2018 and created by EI GROUP PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th September 2018 .

Given at Companies House, Cardiff on 28th September 2018

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**

SECURITY DEED

DATED 25 September 2018

BETWEEN

**EI GROUP PLC
(FORMERLY ENTERPRISE INNS PLC)
as Chargor**

AND

**LLOYDS BANK PLC
as Security Agent**

ALLEN & OVERY

Allen & Overy LLP

0011002-0001264 FR:29834482.1

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THIS DEED is dated 25 September 2018 and is made

BETWEEN:

- (1) **EI GROUP PLC (FORMERLY ENTERPRISE INNS PLC)** (registered number 2562808) (the **Chargor**); and
- (2) **LLOYDS BANK PLC** (the **Security Agent**) as security trustee for the Secured Parties (as defined in the Intercreditor Agreement defined below).

BACKGROUND:

- (A) The Chargor enters into this Security Agreement in connection with the Intercreditor Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Security Agreement:

Acceleration Event has the meaning given to that term in the Intercreditor Agreement.

Act means the Law of Property Act 1925.

Finance Documents means each of:

- (a) the RCF Finance Documents;
- (b) the Convertible Bonds Documents;
- (c) the Senior Notes Documents;
- (d) the Future Pari Passu Debt Documents; and
- (e) any document containing Additional Liabilities in respect thereof,

each as such term is defined in the Intercreditor Agreement.

Intercreditor Agreement means the intercreditor agreement dated on or about the date of this Security Agreement, between, among others, the Chargor as the Company, Lloyds Bank plc as Original RCF Agent and Security Agent and Deutsche Trustee Company Limited as Convertible Bonds Trustee and Senior Notes Trustee, each as such term is defined therein.

Party means a party to this Security Agreement.

Receiver means a receiver and manager or a receiver, in each case, appointed under this Security Agreement.

Related Rights means:

- (a) any dividend, interest or other distribution paid or payable in relation to any Shares; and
- (b) any right, money or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

Secured Liabilities means the "Secured Obligations" as such term is defined in the Intercreditor Agreement.

Security Assets means all assets of the Chargor the subject of any Security Interest created by this Security Agreement.

Security Interest means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

Security Period means the period beginning on the date of this Security Agreement and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Shares means all of the shares of the Subject Company from time to time (being as at the date of this Security Agreement those shares specified in Schedule 1 (*Shares*)).

Subject Company means the company identified in Schedule 1 (*Shares*).

Third Parties Act means the Contracts (Rights of Third Parties) Act 1999.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement have the same meaning in this Security Agreement, unless expressly defined in this Security Agreement. If there is any inconsistency between the terms of the Intercreditor Agreement and this Security Agreement, the terms of the Intercreditor Agreement will prevail to the extent of the inconsistency.
- (b) The provisions of clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Security Agreement as though it were set out in full in this Security Agreement, except that references to the Intercreditor Agreement are construed as references to this Security Agreement.
- (c) Any reference in this Security Agreement to any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset.
- (d) The term **this Security** means any security created by this Security Agreement and unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.
- (e) Any covenant of the Chargor under this Security Agreement (other than a payment obligation) remains in force during the Security Period.
- (f) If the Security Agent reasonably considers that an amount paid to it under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Security Agreement.

- (g) References to, or to any specified provision of, this Security Agreement, any Finance Document or any other document shall be construed as references to this Security Agreement, such Finance Document, that provision or that document as in force for the time being and as from time to time amended, extended or restated (which, as the Chargor specifically agrees and acknowledges in relation to the Finance Documents may include, without limitation, (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing) in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where any consents are required to be obtained as a condition to such amendment, extension or restatement being permitted) with the requisite consents.
- (h) A reference to a Security Asset includes:
 - (i) any part of that Security Asset; and
 - (ii) any present and future asset of that type.

1.3 Third Party Rights

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

1.4 RCF Finance Document

This Security Agreement is a "Finance Document" for the purposes of, and as defined in, the RCF Facility Agreement.

1.5 Transaction Security Document

This Security Agreement is a "Transaction Security Document" for the purposes of, and as defined in, the Intercreditor Agreement.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Security Agreement:
 - (i) is created in favour of the Security Agent;
 - (ii) is security for the payment, discharge and performance of all the Secured Liabilities; and

(iii) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

(b) The Security Agent holds the benefit of this Security Agreement on trust for the Secured Parties.

2.2 Shares

The Chargor charges by way of a first legal mortgage:

(a) all the Shares; and

(b) all Related Rights.

2.3 Amendments to Finance Documents

The Chargor acknowledges that it is aware of clause 1.2 (a)(iv) (*Construction*) of the Intercreditor Agreement and confirms that it is the Chargor's intention that the Secured Liabilities shall include all liabilities due, owing or incurred by it under the Finance Documents notwithstanding any amendment to a Finance Document made in accordance with the terms of that Finance Document and the Intercreditor Agreement.

3. RESTRICTIONS ON DEALINGS

The Chargor must not:

(a) create or permit to subsist any Security Interest on any Security Asset; or

(b) sell, transfer, or otherwise dispose of any Security Asset,

except, in each case, as permitted under the Finance Documents.

4. SHARES

4.1 Deposit

The Chargor must:

(a) immediately deposit with the Security Agent or, as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to the Security Assets; and

(b) promptly execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner or otherwise obtain a legal title to any Security Assets.

4.2 Changes to rights

The Chargor must not take any action or allow the taking of any action on its behalf which may result in the rights attaching to any Security Assets being altered.

4.3 Calls

(a) The Chargor must pay all calls and other payments due and payable in respect of any Security Assets.

- (b) If the Chargor fails to do so, the Security Agent may pay any such calls or other payments on behalf of the Chargor. The Chargor must immediately on request reimburse the Security Agent for any payment made by the Security Agent under this Subclause.

4.4 Other obligations in respect of Security Assets

- (a) The Chargor must comply, and must procure that the Subject Company complies, with all reasonable requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in the constitutional documents of the Chargor or Subject Company relating to any Security Assets. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the Chargor.
- (b) The Chargor must promptly supply to the Security Agent a copy of any information referred to in sub-paragraph (a) above.
- (c) The Chargor must comply with all other conditions and obligations assumed by it in respect of any Security Assets where non-compliance would be reasonably likely to adversely affect the value of the Security Assets or the Security Interest created by this Security Agreement.
- (d) No Secured Party is obliged to:
 - (i) perform any obligation of the Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Security Agreement,

in respect of any Security Assets.

4.5 Voting rights and dividends

- (a) Before this Security becomes enforceable, the Chargor may continue to exercise (or refrain from exercising) the voting rights and any other rights or powers in respect of its Security Assets.
- (b) Before this Security becomes enforceable, if any Security Assets have been registered in the name of the Security Agent or its nominee, the Security Agent (or its nominee) must exercise (or refrain from exercising) the voting rights, powers and other rights in respect of the Security Assets in the manner in which the Chargor may direct in writing. The Security Agent (or that nominee) will execute any form of proxy or other document which the Chargor may reasonably require for this purpose.
- (c) Before this Security becomes enforceable, all dividends or other income or distributions paid or payable in relation to the Security Assets must be paid to the Chargor. To achieve this:
 - (i) the Security Agent or its nominee must promptly execute any dividend mandate necessary to ensure that payment is made direct to the Chargor; or
 - (ii) if payment is made directly to the Security Agent (or its nominee) before this Security becomes enforceable, the Security Agent (or that nominee) will hold all such dividends or other income or distributions for the account of the Chargor and must promptly pay that amount to the Chargor.

- (d) Before this Security becomes enforceable, the Security Agent must forward, as soon as is reasonably practicable, to the Chargor all material notices, correspondence and/or other communication it receives in relation to the Security Assets.
- (e) After this Security has become enforceable, the Security Agent or its nominee may exercise or refrain from exercising:
 - (i) any voting rights; and
 - (ii) any other powers or rights which may be exercised by the legal or beneficial owner of any Security Assets, any person who is the holder of any Security Assets or otherwise,
 in each case, in the name of the Chargor, the registered holder or otherwise and without any further consent or authority on the part of the Chargor and irrespective of any direction given by the Chargor.
- (f) If any Security Asset remains registered in the name of the Chargor, the Chargor irrevocably appoints the Security Agent or its nominee as its proxy to exercise all voting rights in respect of those Security Assets at any time after this Security has become enforceable.
- (g) The Chargor must indemnify the Security Agent against any cost, loss or liability incurred by the Security Agent as a consequence of the Security Agent acting (or refraining from acting) in respect of any Security Assets at the direction of the Chargor.

4.6 Financial Collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Security Agreement and the obligations of the Chargor under this Security Agreement constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent may after this Security has become enforceable appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
 - (ii) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
 - (iii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent adviser, investment bank or accountancy firm of national standing selected by it,

and each Secured Party shall give credit for the proportion of the value of the financial collateral appropriated to its use.

4.7 Issue of shares

The Chargor must procure that it is, at all times, the sole legal and beneficial owner of the whole of the issued share capital of the Subject Company.

5. WHEN SECURITY BECOMES ENFORCEABLE

5.1 Timing

This Security will become immediately enforceable upon the occurrence of an Acceleration Event.

5.2 Enforcement

After this Security has become enforceable, the Security Agent may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the Intercreditor Agreement.

5.3 Power of sale

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

6. ENFORCEMENT OF SECURITY

6.1 General

- (a) Subject to Clause 5 (*When Security Becomes Enforceable*), 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 Security Agreement and 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.
- (b) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent upon this Security having become enforceable to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of Section 99 or 100 of the Act.

6.2 Contingencies

If the Security Agent enforces this Security at a time when no amounts are due and payable under the Finance Documents (or any particular Finance Document) or any amount is outstanding contingently under any Finance Document but at a time when amounts may become so due or outstanding, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it (or part thereof towards covering the contingency) into an interest bearing suspense account.

6.3 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver by reason of it entering into possession of a Security Asset will be liable to account as mortgagee in possession or be liable or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

6.4 Security Agent of the Chargor

Each Receiver is deemed to be the agent of the Chargor for all purposes and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor shall be responsible for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him in connection with the enforcement of this Security (unless the same arise as a result of the Receiver's negligence or wilful misconduct) and no Secured Party shall incur any liability (either to the Chargor or to any other person) by reason of the Security Agent making his appointment as a Receiver or for any other reason.

6.5 Privileges

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that Section 103 of the Act does not apply.

6.6 Protection of third parties

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

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

6.7 Redemption of prior mortgages

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

7. RECEIVER

7.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests the Security Agent in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Security Agreement.

- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.
- (e) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

7.2 Removal

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

7.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

7.4 Relationship with Security Agent

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

8. POWERS OF RECEIVER

8.1 General

- (a) Each Receiver has all of the rights, powers and discretions set out below in this Clause 8 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 it states otherwise) exercise all of the powers conferred on a Receiver under this Security Agreement individually and to the exclusion of any other Receiver.

8.2 Possession

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

8.3 Carry on business

A Receiver may carry on the business of the Chargor as it thinks fit.

8.4 Employees

A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Security Agreement upon such terms as to remuneration or otherwise as it may think proper and discharge any such persons appointed by the Chargor.

8.5 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 it thinks fit. No person lending that money is concerned to enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

8.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks proper.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit.

8.7 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 Chargor or relating in any way to any Security Asset.

8.8 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Security Asset which may seem to him to be expedient.

8.9 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.

8.10 Subsidiaries

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

8.11 Delegation

A Receiver may delegate his powers in accordance with this Security Agreement.

8.12 Lending

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

8.13 Other powers

A Receiver may:

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

9. APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Security Agent 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 the Secured Liabilities in accordance with the terms of the Intercreditor Agreement; and
- (b) in payment of the surplus (if any) to the Chargor 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 Security Agent to recover any shortfall from the Chargor.

10. EXPENSES AND INDEMNITY

The Chargor must immediately on demand pay all reasonable costs and expenses (including legal fees) incurred in connection with this Security Agreement by any Secured Party, any Receiver, attorney, manager, agent or other person appointed by the Security Agent under this Security Agreement, and keep each of them indemnified against any failure or delay in paying the same (including any arising from any actual or alleged breach of any Environmental Law, as defined in the RCF Facility Agreement) save in the case of gross negligence or wilful misconduct by the indemnified party.

11. DELEGATION

The Security Agent may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by the Security Agent under this Security Agreement. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any regulations which the Security Agent may think fit. Neither the Security Agent nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising as a result of any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

12. FURTHER ASSURANCES

12.1 Further assurances

The Chargor must, at its own expense, take whatever action the Security Agent or a Receiver may reasonably require for:

- (a) creating, perfecting or protecting any security intended to be created by or pursuant to this Security Agreement;
- (b) facilitating the realisation of any Security Asset; or

- (c) facilitating the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

12.2 Action required

The action that may be required under Clause 12.1 (*Further assurances*) includes:

- (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Security Agent or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may think expedient.

13. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Security Agreement. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

14. MISCELLANEOUS

14.1 Covenant to pay

The Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

14.2 Continuing Security

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

14.3 Additional security

This Security is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Secured Party for any Secured Liability.

14.4 Tacking

Each Secured Party shall perform its obligations under the Finance Documents (including any obligation to make available further advances).

14.5 New Accounts

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

15. SUCCESSOR TRUSTEE

The Security Agent may resign as Security Agent hereunder in accordance with the terms of the Intercreditor Agreement.

16. RELEASE OF CHARGOR'S RIGHTS

If the shares in the Subject Company are disposed of as a result of enforcement of this Security, the Chargor irrevocably authorises the Security Agent (on behalf of the Chargor and without requiring any authority or consent from the Chargor, the Subject Company or any Secured Party) to release (in whole or in part) that Subject Company (and any Subsidiary of that Subject Company) from the liabilities and obligations (present and future, actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) it may have to the Chargor under or in connection with the Finance Documents as a result of the Chargor being a guarantor or security provider (including, without limitation, any liabilities and obligations arising by way of indemnity, contribution or subrogation) in accordance with the terms of the Intercreditor Agreement.

17. RELEASE

Upon the expiry of the Security Period, the Security Agent shall, at the request and reasonable cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security.

18. GOVERNING LAW

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

19. ENFORCEMENT

19.1 Jurisdiction

- (a) The English courts have exclusive jurisdiction to settle any dispute including a dispute relating to non-contractual obligations arising out of or in connection with this Security Agreement.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Security Agreement. The Chargor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Security Agreement.
- (c) This Clause is for the benefit of the Secured Parties only. To the extent allowed by law, a Secured Party may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.
- (d) References in this Clause to a dispute in connection with this Security Agreement includes any dispute as to the existence, validity or termination of this Security Agreement.

THIS SECURITY AGREEMENT has been entered into as a deed on the date stated at the beginning of this deed.

SCHEDULE 1

SHARES

SUBJECT COMPANY	NUMBER OF SHARES	CLASS
UNIQUE Pubs LIMITED (REGISTERED NUMBER 03733077)	1	ORDINARY A

SIGNATORIES

Chargor

EXECUTED AS A DEED by)
EI GROUP PLC (FORMERLY ENTERPRISE INNS PLC))
acting by Neil Smith)

Director

In the presence of:

Witness's signature:

Name: Leang Zhan Hua Ngu

Address: 78 Cannon Street, London EC4N 6AF

Security Agent

LLOYDS BANK PLC

By:

SIGNATORIES

Chargor

EXECUTED AS A DEED by)
EI GROUP PLC (FORMERLY ENTERPRISE INNS PLC))
acting by)

Director

In the presence of:

Witness's signature:

Name:

Address:

Security Agent

LLOYDS BANK PLC

By: 
JENNIFER ESPINER