

MR01

Particulars of a charge

101 485/13

Laserform

A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☐ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument Use form M01



A01 21/08/2015 #250
COMPANIES HOUSE

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

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

1 Company details

Company number 03513344

Company name in full Havana Holdings (UK) Limited (the "Company")

7 For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 01/08/2015

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Barclays Bank PLC as security agent and security
trustee for the Secured Parties (as defined in the

Name accompanying copy instrument)

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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Particulars of a charge

4

Brief description

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

Brief description

All present and future freehold or leasehold land and all present and future Intellectual Property pursuant to clauses 3.2 and 3.9 respectively of the accompanying copy instrument

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

Please limit the description to the available space

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

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

9

Signature

Please sign the form here

Signature

Signature

X *Simmons & Simmons LLP*

X

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

MR01

Particulars of a charge



Presenter information

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

Contact name Imogen Benson (001226-01657)

Company name Simmons & Simmons LLP

Address CityPoint

One Ropemaker Street

Post town London

County/Region

Postcode E C 2 Y 9 S S

Country United Kingdom

DX DX Box No 12 Chancery Lane London

Telephone 020 7825 4262



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland.

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3513344

Charge code: 0351 3344 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th August 2015 and created by HAVANA HOLDINGS (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st August 2015

Given at Companies House, Cardiff on 26th August 2015



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 18 August 2015

EXECUTION VERSION

Security Agreement

between

The Persons listed in Schedule 1
as Chargors

and

Barclays Bank PLC
as Security Agent

relating to

WE CERTIFY THAT THIS COPY INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.	
<u>Simmons & Simmons LLP</u> Signed (firm name)	
<u>LCXB</u> Initials of Signatory	<u>20/08/15</u> Dated (DDMM/YY)

the Sanderson Hotel, the St Martins Lane Hotel and the
Churchill Hyatt Regency Hotel

Simmons & Simmons

Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS United Kingdom
T +44 20 7628 2020 F +44 20 7628 2070 DX Box No 12

WE CERTIFY THAT THIS COPY INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.	
..... (Print Name)	
..... Date (DD/MM/YY) Initials of Signatory

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THIS DEED is dated

18 August 2015

and made

BETWEEN:

- (1) **THE PERSONS** listed in Schedule 1 The Chargors, as chargors (the "Chargors"), and
- (2) **BARCLAYS BANK PLC**, (the "Security Agent" which expression includes its permitted successors and assigns as security agent and security trustee for the Secured Parties) registered in England and Wales with company number 01026167 and having its registered office at 1 Churchill Place, London E14 5HP

BACKGROUND:

- (A) Each Chargor is entering into this Deed in connection with the Finance Documents
- (B) It is intended that this document takes effect as a deed even though a Party may only execute it under hand

IT IS AGREED as follows

1 Interpretation

1.1 Definitions

In this Deed terms defined in the Facility Agreement have the same meaning unless given a different meaning in this Deed and

"Assigned Contracts" each contract referred to in Clause 3.4 (*Contracts*)

"Borrowers" means Havana Holdings (UK) Limited (company number 03513344) whose registered office is at 30 Portman Square, London, W1A 4ZX and Capital Hill Hotels Limited (company number 07785139) whose registered office is at 50 Berners Street, London W1T 3NG

"Charged Property" means all of the assets of a Chargor which from time to time are, or are expressed to be, subject to the Transaction Security

"Delegate" means any delegate or sub delegate appointed under Clause 20 (*Delegation*)

"Enforcement Event" means an Event of Default which is continuing

"Facility Agreement" means the facility agreement dated on or about the date of this Deed between, amongst others, the Security Agent and the Chargors

"Intellectual Property" means

- (A) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered, and
- (B) the benefit of all applications and rights to use such assets of a Chargor (which may now or in the future subsist)

"LPA" means the Law of Property Act 1925

"Mortgaged Property" means any freehold or leasehold property listed in Schedule 2

"Party" means a party to this Deed

"Receiver" means a receiver, receiver or manager of the whole or any part of the Charged Property

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

"Secured Party" means a Finance Party, a Receiver or any Delegate

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Secured Liabilities have been irrevocably paid in full and that all facilities which might give rise to any Secured Liabilities have been terminated

"Shares" those shares listed in Schedule 3 (*Shares*)

"Transaction Security" means the Security created or expressed to be created in favour of Security Agent pursuant to this Deed

1.2 Construction

- (A) Any reference in this Deed to a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility under that Finance Document or other agreement or instrument
- (B) The other provisions of Clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as if set out in full in this Deed with all necessary changes
- (C) Unless a contrary indication appears, a reference in this Deed to "Charged Property" includes any part of that Charged Property and the proceeds of that Charged Property
- (D) Each of the undertakings given by a Chargor in this Deed remain in force from the date of this Deed until the end of the Security Period
- (E) Each representation and warranty expressed to be made by a Chargor in this Deed is made by a Chargor on the date of this Deed and is deemed to be repeated by reference to the facts and circumstances then existing on each Utilisation Request, on the Utilisation Date and on the first day of each Interest Period

1.3 Disposition of property

The terms of the other Finance Documents and of any agreement, document or side letter between the Parties are incorporated into this Deed to the extent required for any purported disposition of all or any part of any freehold or leasehold property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

1.4 Third party rights

- (A) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of this Deed
- (B) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time
- (C) Any Receiver, Delegate, Finance Party or any officer, employee or agent of such Receiver, Delegate or Finance Party may, subject to this sub-clause and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

1.5 Conflict of Terms

To the extent that there is any conflict and/or contradiction and/or inconsistency between the terms of this Deed and the terms of the Facility Agreement, the terms of the Facility Agreement shall prevail and in such circumstances compliance with the terms of the Facility Agreement shall be deemed to be compliance in full with the conflicting and/or contradictory and/or inconsistent terms of this Deed

2. Covenant to pay

Each Chargor shall pay each of the Secured Liabilities when the same become due in accordance with the terms of the Finance Documents

3 Creation of Security

3.1 Security generally

All the Transaction Security

- (A) is created in favour of the Security Agent,
- (B) is created over the present and future assets of each Chargor,
- (C) is security for the payment of all the Secured Liabilities, and
- (D) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994

3.2 Land

- (A) Each Chargor charges
 - (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use that property, including Mortgaged Property, and
 - (2) (to the extent that they are not the subject of a legal mortgage under Clause 3.2(A)(1)) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use that property

- (B) Each Chargor assigns absolutely to the Security Agent (subject to a proviso for re-assignment on redemption) all of its rights and interests in and to each Lease Document (including all Rental Income and in respect of any guarantee of Rental Income contained in or relating to any Lease Document)
- (C) A reference in this Deed to a mortgage or charge of any freehold or leasehold property includes
 - (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it other than those belonging to any landlord, tenant or occupant other than the relevant Chargor, and
 - (2) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property to the extent held by that Chargor or any moneys paid or payable in respect of those covenants

3 3 Shares

- (A) Each Chargor charges by way of a first fixed charge all of its rights and interests in its Shares (including any specified in Schedule 3 (*Shares*))
- (B) A reference in this Deed to any mortgage or charge of any Shares includes.
 - (1) any dividend or interest paid or payable in relation to it,
 - (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,
 - (3) any right against any clearance system in relation to it, and
 - (4) any right under any custodian or other agreement in relation to it

3 4 Contracts

- (A) Each Chargor assigns absolutely to the Security Agent (subject to a proviso for re-assignment on redemption) all of its rights and interests under any contracts specified in Schedule 4 (*Assigned Contracts*), and under any other agreement to which it is a party except to the extent that it is subject to any final security created under the terms of this Clause 3
- (B) To the extent that any such right described in Clause 3 4(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3 4(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right
- (C) To the extent that they do not fall within any other part of this clause or are not effectively assigned under Clauses 3 4(A) and 3 4(B), each Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party

- (D) If a Chargor assigns an agreement or document under this Deed (or charges it) and the assignment or charge breaches a term of that agreement or document because a third party's consent has not been obtained

- (1) that Chargor must notify the Security Agent immediately,
- (2) unless the Security Agent otherwise requires, that Chargor shall use its reasonable endeavours to obtain the consent or waiver of the relevant prohibition as soon as practicable, and
- (3) that Chargor must promptly supply to the Security Agent a copy of the consent or waiver obtained by it

3.5 Bank accounts

Each Chargor charges by way of a first fixed charge any amount standing to the credit of any account listed in the Finance Documents, which it has in its name (or to which it is beneficially entitled) with any person and the debt represented by such account

3.6 Book debts etc.

Each Chargor charges by way of a first fixed charge

- (A) all of its book and other debts,
- (B) all other moneys due and owing to it, and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under Clause 3.6(A) and Clause 3.6(B)

3.7 Insurances

- (A) Each Chargor assigns absolutely to the Security Agent (subject to a proviso for re-assignment on redemption)

- (1) all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest, and
- (2) all monies payable and all monies paid to it under or in respect of all such contracts and policies of insurance,

excluding, in each case contracts and policies of insurance which relate to public liability and to liabilities to third parties

- (B) To the extent that any such right described in Clause 3.7(A) is not capable of assignment, the assignment of that right purported to be effected by Clause 3.7(A) shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right
- (C) To the extent that they do not fall within any other part of this clause or are not effectively assigned under Clause 3.7(A) or 3.7(B), each Chargor charges by way of first fixed charge all of its rights under each agreement or document to which it is a party (excluding contracts and policies of insurance which relate to public liability and to third parties liabilities)

3 8 Plant and machinery

Each Chargor charges by way of a first fixed charge all fixed and moveable plant and machinery owned by it, its interest in any plant or machinery in its possession and the benefit of all related Authorisations, agreements and warranties

3 9 Intellectual Property

Each Chargor charges by way of first fixed charge all its Intellectual Property

3 10 Authorisations

Each Chargor charges by way of first fixed charge the benefit of all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation

3 11 Pension fund

Each Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund

3 12 Goodwill

Each Chargor charges by way of first fixed charge its goodwill

3 13 Uncalled capital

Each Chargor charges by way of first fixed charge its uncalled capital

3 14 Floating charge

- (A) Each Chargor charges by way of first floating charge its undertaking and assets, both present and future not otherwise effectively mortgaged or charged under this Deed
- (B) The floating charge created by each Chargor pursuant to Clause 3 14(A) is a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986
- (C) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Security Agent may appoint an administrator to a Chargor pursuant to that paragraph
- (D) The Security Agent may convert the floating charge created by this Deed over all or any of the Charged Property into a fixed charge by written notice to the relevant Chargor specifying the relevant Charged Property (either specifically or generally)
 - (1) while an Enforcement Event is continuing, and/or
 - (2) if the Security Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process
- (E) If

- (1) a Chargor takes any step to create any Security (other than any Security permitted by the Finance Documents) in breach of Clause 5.1 (*Security*) over any of the Charged Property not subject to a mortgage or fixed charge,
- (2) an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator in respect of a Chargor, or
- (3) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property (except where such step is in the opinion of the Security Agent (acting reasonably) frivolous or vexatious and is discharged or dismissed within 10 Business Days of commencement),

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge

4 Continuing Security

4.1 Continuing Security

The Transaction Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part

4.2 Additional security

The Transaction Security

- (A) is in addition to, and is not in any way prejudiced by, any other Security or other right now or subsequently held by any Finance Party, and
- (B) may be enforced against a Chargor without having recourse to any other rights of any Finance Party

5 Restrictions on dealing

5.1 Security

No Chargor shall create or permit to subsist any Security over any Charged Property, prohibited by Clause 22.6 (*Negative pledge*) of the Facility Agreement except as permitted by the Facility Agreement or any other Finance Document

5.2 Disposals

No Chargor shall (nor agree to) enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any Charged Property except as permitted by the Facility Agreement or any other Finance Document

6 Land

6.1 The Land Registry

In the case of a Chargor's existing freehold or leasehold property, that Chargor shall

- (A) promptly and in any event within any applicable priority period, apply to the Land Registry to register the Security created or expressed to be created by this Deed,
- (B) promptly submit to the Land Registry the duly completed form RX1 requesting to enter the following restriction on the register of title to that freehold or leasehold property in respect of the Transaction Security created or expressed to be created by this deed

"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 [•] 2015 in favour of Barclays Bank PLC (as Security Agent for the Secured Parties) referred to in the charges register or their conveyancer "

- (C) promptly submit to the Land Registry a duly completed application to enter the obligation to make further loans or advances on the charges register of any registered land forming part of the Charged Property, and
- (D) promptly pay all appropriate registration fees

6.2 Acquisitions

- (A) If a Chargor acquires any freehold or leasehold property after the date of this Deed it shall
 - (1) notify the Security Agent immediately,
 - (2) promptly (and in any case within 5 Business Days) on request by the Security Agent and at the reasonable cost of the relevant Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that freehold or leasehold property in any form which the Security Agent (acting reasonably) may require, together with such constitutional documents, corporate authorisations as the Security Agent may require to verify that such document constitutes that Chargor's legal, valid, binding and enforceable obligations,
 - (3) if title to that freehold or leasehold property is registered at the Land Registry or is required to be so registered, promptly and in any event within any applicable priority period, apply to the Land Registry
 - (a) for first registration of that freehold or leasehold property (where that freehold or leasehold property is not already registered at the Land Registry) and registration of that Chargor as the registered proprietor of that freehold or leasehold property,
 - (b) to register the Security created or expressed to be created by this Deed or any document entered into pursuant to Clause 6.2(A)(2),
 - (c) submit to the Land Registry a duly completed form RX1 requesting a restriction in the form specified by the Security Agent specified in Clause 7.1(B) the register of title for that freehold or leasehold property,
 - (d) promptly submit to the Land Registry a duly completed application to enter the obligation to make further loans or advances on the charges

register of any registered land forming part of the Charged Property,
and

(e) promptly pay all appropriate registration fees

(B) If the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute a legal mortgage over it, that Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The relevant Chargor must use its reasonable endeavours to obtain the landlord's consent.

6.3 Deposit of title deeds

Each Chargor shall deposit with the Security Agent all deeds and documents of title relating to any Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of that Chargor.

6.4 Investigation of title

Each Chargor shall grant the Security Agent or its lawyers on request all facilities within its power to enable the Security Agent or its lawyers (at the expense of the relevant Chargor) to

(A) carry out investigations of title to any Mortgaged Property, and

(B) make such enquiries in relation to any part of any Mortgaged Property as a prudent mortgagee might carry out.

6.5 Title Information Document

On completion of the registration of any Security in respect of its Mortgaged Property, each Chargor shall promptly supply to the Security Agent a certified copy of the title information document issued by the Land Registry.

6.6 Power to remedy

Each Chargor shall permit the Security Agent and/or any of its representatives, agents or contractors, when the Security Agent believes that a Default has occurred or might reasonably be expected to occur, to enter any Mortgaged Property (at reasonable times and on reasonable notice) and to take any steps which it believes necessary in relation to that Mortgaged Property. Each Chargor shall immediately on demand by the Security Agent pay the costs and expenses of the Security Agent, its representatives, agents or contractors incurred in connection with any action taken under this clause.

6.7 Notice of charge or assignment

(A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in the relevant Schedule to this Deed, on each tenant of any Mortgaged Property.

(B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 6.7(A) acknowledges receipt of that notice, substantially in the applicable form as set out in the relevant Schedule to this Deed.

7 Shares

7.1 Shares

Each Chargor (on behalf of itself only) represents and warrants to the Security Agent (for the benefit of each Finance Party) that

- (A) its Shares are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right,
- (B) the constitutional documents of the issuer(s) of the Shares do not and could not restrict or inhibit the transfer of those Shares on creation or the enforcement of the Security Transaction,
- (C) it is the sole legal and beneficial owner of the Shares,
- (D) there are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any issuer of the Shares (including any option or right of pre-emption or conversion), and
- (E) the Shares are the entire issued share capital of the issuer of those Shares

7.2 Certificated Shares

Except to the extent the same has already been provided to the Security Agent, each Chargor shall

- (A) on the date of this Deed (or in the case of any certificated Shares acquired after the date of this Deed, as soon as possible after that acquisition) deposit with the Security Agent, or as the Security Agent may direct, any bearer instrument, share certificate or other document of title or evidence of ownership in relation to its Shares as the Security Agent (acting reasonably) may require, and
- (B) promptly take any necessary action and execute and deliver to the Security Agent any share transfer or other document which may be requested by the Security Agent in order to enable the transferee on enforcement to be registered as the owner or otherwise obtain a legal title to its Shares, this includes
 - (1) delivering executed and (unless exempt from stamp duty), pre-stamped share transfers in favour of the Security Agent or any of its nominees as transferee or, if the Security Agent so directs, with the transferee left blank, and
 - (2) procuring that those share transfers are registered by the issuer of the Shares are held and that share certificates in the name of the transferee are delivered to the Security Agent

7.3 Calls

- (A) Each Chargor shall pay all calls or other payments due and payable in respect of its Shares
- (B) If a Chargor fails to comply with Clause 7.3(A), the Security Agent may pay the calls or other payments in respect of any Shares on behalf of the Chargor. Each

Chargor within 5 Business Days of written request shall reimburse the Security Agent for any payment made by the Security Agent under this Clause 7.3

7.4 Other obligations in respect of Shares

- (A) Each Chargor shall comply with all other conditions and obligations assumed by it in respect of any Shares
- (B) The Security Agent is not obliged to
 - (1) perform any obligation of a Chargor,
 - (2) make any payment,
 - (3) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor, or
 - (4) 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 Deed,in respect of any Shares

7.5 Voting rights before enforcement

- (A) Subject to Clause 7.6 (*Voting rights after enforcement*), a Chargor may continue to exercise the voting rights, powers and other rights in respect of its Shares but only to the extent that it does so for a purpose not inconsistent with any Finance Document and the exercise of or failure to exercise those rights would not prejudice the interests of any Finance Party
- (B) If the relevant Shares have been registered in the name of the Security Agent or its nominee, the Security Agent (or that nominee) shall exercise the voting rights, powers and other rights in respect of the Shares in any manner which the Chargor may direct in writing but only to the extent that it does so for a purpose not inconsistent with any Finance Document and the exercise of or failure to exercise those rights would not prejudice the interests of any Finance Party. The Security Agent (or that nominee) will execute any form of proxy or other document which a Chargor may reasonably require for this purpose
- (C) Subject to Clause 7.6 (*Voting rights after enforcement*), all dividends or other income or distributions paid or payable in relation to any Shares shall be paid in accordance with the provisions of the Finance Documents. To achieve this
 - (1) the Security Agent or its nominee will promptly execute any dividend mandate necessary to ensure that payment is made direct to the that Chargor, or
 - (2) if payment is made directly to the Security Agent (or its nominee) before this Security becomes enforceable, the Security Agent (or that nominee) will promptly pay that amount to that Chargor

7.6 Voting rights after enforcement

- (A) Following the occurrence of an Enforcement Event, the Security Agent or its nominee may exercise or refrain from exercising

(1) any voting rights, and

(2) any other powers or rights which may be exercised by the legal or beneficial owner of any Shares, any person who is the holder of any Shares or otherwise,

in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of that Chargor and irrespective of any direction given by that Chargor

(B) Following the occurrence of an Enforcement Event, to the extent that the Shares remain registered in the name of a Chargor, that Chargor irrevocably appoints the Security Agent or its nominee as its proxy to exercise all voting rights in respect of those Shares

(C) Following the occurrence of an Enforcement Event, each Chargor shall indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of Shares on the direction of the Chargor

8 Intellectual property

8.1 Representations

Each Chargor (on behalf of itself only) represents and warrants to the Security Agent (for the benefit of each Finance Party) on the date of this Deed, that

(A) it is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all Intellectual Property which is required for its business as it is being conducted, and

(B) it has taken all formal or procedural actions (including payment of fees) required to maintain any Intellectual Property owned by it

8.2 Preservation

(A) Each Chargor shall

(1) preserve and maintain the subsistence and validity of the Intellectual Property it owns which is necessary for its business,

(2) use its reasonable endeavours to prevent any infringement in any material respect of its Intellectual Property,

(3) make registrations and pay all registration fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property,

(4) not use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which is likely to materially and adversely affect the existence or value of its Intellectual Property or imperil its right to use such property, and

(5) not (other than where such Intellectual Property has become redundant) discontinue the use of its Intellectual Property

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

9 Book debts

- (A) Each Chargor shall get in and realise its

- (1) securities to the extent held by way of temporary investment,
- (2) book and other debts and other moneys owed to it, and
- (3) royalties, fees and income of any nature owed to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an account in accordance with Clause 9(B) below but subject always to the Security created by or expressed to be created by this Deed) on trust for the Security Agent

- (B) Each Chargor shall, except to the extent that the Security Agent otherwise agrees, or unless otherwise provided for in the Facility Agreement, pay all the proceeds of the getting in and realisation into the account designated from time to time by the Security Agent

10 Bank accounts

10.1 Restrictions on accounts

No Chargor shall have any accounts other than those specified in Schedule 4 (*Accounts*) and those agreed in writing from time to time by the Security Agent and the relevant Chargor

10.2 Withdrawals from accounts

- (A) No Chargor shall withdraw any moneys (including interest) standing to the credit of any of its accounts other than
- (1) with the prior consent of the Security Agent, or
 - (2) in accordance with the terms of the Facility Agreement
- (B) The Security Agent (or a Receiver) may withdraw amounts standing to the credit of any of a Chargor's accounts only in accordance with the terms of the Facility Agreement

10.3 Notices of charge

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in the relevant Schedule to this Deed, on each bank or financial institution at which a Chargor maintains any of its accounts

- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 10 3(A) acknowledges receipt of that notice, substantially in the applicable form as set out in the relevant Schedule to this Deed

11 Contracts

11 1 Representations

Each Chargor represents and warrants to the Security Agent for the benefit of each Finance Party that

- (A) all payments to it by any other party to any of its Assigned Contracts are not subject to any right of set-off or similar right,
- (B) each of its Assigned Contracts is, subject to the Legal Reservations, its legally binding, and enforceable obligation,
- (C) it is not in default of any of its obligations under any of its Assigned Contracts,
- (D) there is no prohibition on assignment in any of its Assigned Contracts, and
- (E) its entry into and performance of this Deed will not conflict with any term of any of its Assigned Contracts to the extent that has or is reasonably likely to have a Material Adverse Effect

11 2 Documents

Each Chargor shall if requested by the Security Agent promptly deliver to the Security Agent certified copies of all Assigned Contracts as now in effect and as requested by the Security Agent and shall promptly deliver such other certified copy documents relating to the Assigned Contracts as the Security Agent reasonably requires

11.3 No variation etc.

No Chargor shall

- (A) amend, vary or waive (or agree to amend, vary or waive) any provision of any Assigned Contract exercise any right to rescind, cancel or terminate any Assigned Contract release any counterparty from any obligations under any Assigned Contract,
- (B) waive any breach by any counterparty to an Assigned Contract or consent to any act or omission which would otherwise constitute such a breach of an Assigned Contract, or
- (C) novate, transfer or assign any of its rights under any Assigned Contract

11 4 Breach

Each Chargor shall notify the Security Agent of any breach (which is not minor or inconsequential) of or default under an Assigned Contract by it or any other party and any right of it or any other party arising to terminate or rescind an Assigned Contract promptly on becoming aware of the same

11 5 Information

Each Chargor shall promptly provide the Security Agent with any information it reasonably requires in relation to any Assigned Contract

11 6 Rights

- (A) Subject to the rights of the Security Agent under Clause 11 6(B), each Chargor must diligently pursue its rights under each of its Assigned Contracts, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default
- (B) At any time when an Enforcement Event has occurred, the Security Agent may exercise (without any further consent or authority on the part of a Chargor and irrespective of any direction given by a Chargor) any of that Chargor's rights under its Assigned Contracts

11 7 Notices of charge or assignment

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in the relevant Schedule to this Deed, on each counterparty to an Assigned Contract
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 11 7(A) acknowledges receipt of that notice, substantially in the applicable form as set out in the relevant Schedule to this Deed

12 Plant and machinery

12 1 Maintenance

Each Chargor shall keep its plant and machinery which is required to carry on the business of a Chargor in good repair and in good working order and condition (fair wear and tear expected)

12 2 Evidence of security

Each Chargor shall, if so required by the Security Agent (acting reasonably), place and maintain on each item of plant and machinery which is required to carry on the business of a Chargor, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [•] and ancillary equipment is subject to a fixed charge dated [•] in favour of [*name of Security Agent*]"

13. Insurances

13 1 Rights

- (A) Subject to the rights of the Security Agent under Clause 13 1(B), each Chargor shall diligently pursue its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default

- (B) Subject always to the terms of the Facility Agreement, the Security Agent may exercise (without any further consent or authority on the part of a Chargor and irrespective of any direction given by any Chargor) any of the rights of a Chargor in connection with any amounts payable to it under any of its Insurances
- (C) Each Chargor must take such steps (at its own cost) as the Security Agent may reasonably require to enforce those rights, this includes initiating and pursuing legal or arbitration proceedings in the name of that Chargor
- (D) Save as otherwise provided in the Facility Agreement, each Chargor must hold any payment received by it under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest on trust for the Security Agent

13 2 Notices of charge or assignment

- (A) Each Chargor shall immediately serve a notice of charge or assignment, substantially in the applicable form as set out in the relevant Schedule to this Deed, on each of its insurers (excluding in respect of contracts and policies of insurance which relate to public liability and to liabilities to third parties)
- (B) Each Chargor shall use reasonable endeavours to ensure that each person referred to in Clause 13 2(A) acknowledges receipt of that notice, substantially in the applicable form as set out in the relevant Schedule to this Deed

14 Representations

Each Chargor (on behalf of itself only) represents and warrants to the Security Agent for the benefit of each Finance Party that

- (A) Subject to the Legal Reservations, this Deed
 - (1) creates (or, once entered into, will create) in favour of the Security Agent, the Security which it is expressed to create fully perfected and with the ranking and priority it is expressed to have,
 - (2) is not subject to any prior or pari passu ranking Security (other than any Security created pursuant to a Finance Document), and
 - (3) is not liable to be avoided or set aside on its liquidation, administration or otherwise, and
- (B) it is the absolute legal and beneficial owner of all the assets over which it purports to create any Security pursuant to this Deed

15 Enforcement

15 1 When enforceable

The Transaction Security shall be immediately enforceable if an Enforcement Event occurs and is continuing

15 2 Power of sale

The statutory powers of sale, of appointing a receiver and the other powers conferred on mortgagees by Section 101 of the LPA as varied and extended by this Deed shall arise on the date of this Deed

15 3 Section 103 of the LPA

Section 103 of the LPA (restricting the power of sale) shall not apply to this Deed

15 4 Section 93 of the LPA

Section 93 of the LPA (restricting the right of consolidation) shall not apply to this Deed

15 5 No liability as mortgagee in possession

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

15 6 Privileges

The Security Agent, each Receiver and each Delegate is entitled to all the rights, powers and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA except that Section 103 of the LPA (restricting the power of sale) does not apply

15 7 No duty to enquire

No person dealing with the Security Agent, any Receiver or any Delegate shall be concerned to enquire

- (A) whether the rights conferred by or pursuant to any Finance Document are exercisable,
- (B) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (C) otherwise as to the propriety or regularity of acts purporting or intended to exercise any such rights, or
- (D) as to the application of any money borrowed or raised

15 8 Protection to purchasers

All the protection to purchasers contained in Sections 104 (relating to a conveyance on sale) and 107 (relating to mortgagee's receipts, discharges etc) of the LPA, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Agent, any Receiver or any Delegate

15 9 Financial collateral arrangements

- (A) To the extent that the provisions of the Financial Collateral Arrangements (No 2) Regulations 2003 (the "Regulations") apply to any Charged Property the Security Agent shall have the right to appropriate any Charged Property which constitutes

"financial collateral" (as defined in the Regulations) in or towards the satisfaction of the Secured Liabilities

- (B) The value of any Charged Property appropriated in accordance with this Clause 15.9 shall be.
 - (1) in the case of cash, the amount of the cash appropriated, and
 - (2) in the case of any Shares, their market value as determined by the Security Agent by reference to a public index, independent valuation or by such other process as the Security Agent may select (acting reasonably)
- (C) Each Chargor agrees that the method of valuation provided for in this Clause 15 is commercially reasonable for the purposes of the Regulations

16 Receiver

16.1 Appointment of receiver

- (A) The Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Charged Property if
 - (1) an Enforcement Event occurs, or
 - (2) requested to do so by the relevant Chargor (in writing)
- (B) Any appointment under Clause 16.1(A) may be by deed, under seal or in writing under hand

16.2 Removal

The Security Agent may by writing under hand remove any Receiver appointed by it and may appoint a new Receiver in place of any Receiver whose appointment it may have terminated

16.3 Remuneration

The Security Agent may determine the remuneration of any Receiver appointed by it and direct payment of that remuneration out of moneys received by it as Receiver. The maximum rate specified in section 109(6) of the LPA will not apply

16.4 Agent of Chargor

- (A) Any Receiver will be deemed to be the agent of the Chargor for all purposes. Each Chargor alone is responsible for all contracts, engagements, acts, omissions, defaults, remuneration and all other costs, losses and expenses of a Receiver and for liabilities incurred by a Receiver
- (B) No Finance Party will incur any liability (either to a Chargor or any other person) by reason of its appointment of a Receiver or for any other reasons

16 5 Security Agent's rights

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Security Agent, whether or not the Security Agent shall have taken possession or appointed a Receiver of the Charged Property

17. Powers of Receiver

17 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, including all the rights, powers and discretions conferred on a receiver under the LPA and a receiver or an administrative receiver under 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

17 2 Possession

A Receiver may take immediate possession of, get in and collect any Charged Property

17 3 Carry on business

A Receiver may carry on the business of a Chargor in any manner he thinks fit

17 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 a Chargor

17 5 Borrow money

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

17 6 Sale of assets

- (A) A Receiver may sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which he thinks fit
- (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 fixtures of any landlord or of any tenant under a Lease Document, may be severed and sold separately from the property containing them without the consent of a Chargor

17 7 Leases

A Receiver may let any Charged Property 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 Charged Property on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender)

17 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 a Chargor or relating in any way to any Charged Property

17 9 Legal actions

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

17 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 Charged Property

17 11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Charged Property

17 12 Delegation

A Receiver may delegate his powers in accordance with this Deed

17 13 Lending

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

17 14 Protection of assets

A Receiver may

- (A) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Charged Property,
- (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

17 15 Other powers

A Receiver may

- (A) do all other acts and things which he may consider desirable or necessary for realising any Charged Property 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 Charged Property all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Property, and
- (C) use the name of a Chargor for any of the above purposes

18 Power of attorney

18 1 Appointment

Each Chargor by way of security irrevocably appoints the Security Agent, any Receiver and any Delegate severally its attorney (with full power of substitution), on its behalf and in its name or otherwise at such time and in such manner as the attorney may think fit

- (A) to do anything which that Chargor is obliged to do under any Finance Document but has failed to do so on the date it was obliged to do so, and
- (B) to exercise any of the rights conferred on the Security Agent, any Receiver or any Delegate in relation to the Charged Property or under any Finance Document, the LPA or the Insolvency Act 1986

18 2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney does or purports to do under its appointment under this clause

19 Tacking

Each Finance Party shall comply with its obligations under the Finance Documents (including any obligation to make further advances)

20 Delegation

20 1 Delegate and sub-delegates

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

20 2 Terms

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

20 3 Liability

Neither the Security Agent nor any Receiver will be in any way liable or responsible to a Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate provided that the Security Agent or Receiver exercised reasonable care in the selection of that delegate or sub-delegate

21 Preservation of security

21.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of a Chargor or any security for those obligations or otherwise) is made by the Security Agent in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred

21 2 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this Deed (and whether or not known to it or any Finance Party) including without limitation

- (A) any time, waiver or consent granted to, or composition with, any Chargor or other person,
- (B) the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any other person,
- (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 Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person,
- (E) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security,
- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (G) any insolvency or similar proceedings

21 3 Immediate recourse

Each Chargor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed This

waiver applies irrespective of any law or any provision of a Finance Document to the contrary

21.4 Appropriations

Until the Secured Liabilities have been irrevocably paid in full, any Finance Party (or any trustee or agent on its behalf) may

- (A) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same, and
- (B) hold in an interest-bearing suspense account any moneys received from a Chargor or on account of a Chargor's liability under this Deed

21.5 Deferral of Chargor's rights

Until the Secured Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Deed

- (A) to be indemnified by a Chargor or any other person,
- (B) to claim any contribution from any other guarantor of a Chargor's obligations under the Finance Documents,
- (C) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party,
- (D) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which a Chargor has given a guarantee, undertaking or indemnity under any other Finance Document,
- (E) to exercise any right of set-off against any Chargor or other person, and/or
- (F) to claim or prove as a creditor of any Chargor or other person in competition with any Finance Party

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Chargors under or in connection with the Finance Documents to be repaid in full) on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 33 (*Payment mechanics*) of the Facility Agreement

22 Cost and expenses

All costs and expenses incurred by the Security Agent, any Finance Party, any Receiver or any Delegate in connection with the negotiation, execution, amendment, perfection, or

enforcement of this Deed shall be paid in accordance with Clause 16 (*Costs and Expenses*) of the Facility Agreement

23 Changes to the Parties

23 1 Assignments and transfer by the Chargors

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Deed

23 2 Assignment and transfer by the Security Agent

The Security Agent may assign any of its rights or transfer any of its rights or obligations under this Deed to any person to which it is permitted to assign its rights or transfer any of its rights or obligations to under the terms of the Facility Agreement

24 Payments

24 1 Payments

All payments by a Chargor under this Deed (including damages for its breach) shall be made in the currency in which the relevant amount is denominated, or if different, is payable and to such account, with such person and such other manner as the Security Agent may direct

24 2 Continuation of accounts

- (A) At any time if any subsequent Security affects any Charged Property (other than any Security permitted by the Finance Documents) or a petition is presented or resolution passed in relation to the winding-up of a Chargor (other than a petition which is the opinion of the Lenders is a frivolous or vexatious petition which is discharged, stayed or dismissed within 14 days of commencement), any Finance Party may open a new account in the name of that Chargor (whether or not it permits any existing account to continue)
- (B) If a Finance Party does not open such a new account, it shall nevertheless be treated as if it had done so when the relevant event occurred unless the relevant Chargor has received written notice from a Finance Party to the contrary.
- (C) No moneys paid into any account, whether new or continuing, after that event shall discharge or reduce any Secured Liabilities

24 3 Order of distributions

All amounts received or recovered by the Security Agent or any Receiver or Delegate in the exercise of their rights under this Deed shall be applied in the following order:

- (A) first, in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of its rights, including any remuneration and outgoings paid to it,
- (B) second, in or towards payment of the Secured Liabilities in accordance with Clause 33 (*Payment Mechanics*) of the Facility Agreement, and

- (C) third, in payment of any surplus to the relevant Chargor or other person entitled to it

24 4 No set-off by Chargors

All payments to be made by a Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim

25 Release of Security

25 1 Release

At the end of the Security Period the Security Agent shall promptly following the request and at the cost of the Chargors, take whatever action is necessary to release the Charged Property from the Security created by or expressed to be created by this Deed re-assign any rights under this Deed, return all deeds and documents of title delivered to the Security Agent under this Deed and execute and deliver such further deeds of documents as the Chargor may reasonably require to give effect to this clause

25 2 Retention

If the Security Agent (acting reasonably) considers that any amount paid or credited to it under a Finance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

26 Counterparts

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

27 Governing Law

This Deed and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

28 Enforcement

28 1 Jurisdiction

- (A) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non contractual obligations arising out of or in connection with this Deed) (a "Dispute").
- (B) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary
- (C) This Clause 28 1 is for the benefit of the Finance Parties only As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions

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

SCHEDULE 1 : THE CHARGORS

Name of Chargor	Jurisdiction of incorporation or establishment	Registration number
Capital Hill Hotels Limited	England and Wales	07785139
Capital Hill Hotels Group Europe Limited	England and Wales	03203996
Capital Hill Hotels Group London Limited	England and Wales	03462675
Havana Holdings (UK) Limited	England and Wales	03513344
International Hoteliers (UK) Limited	England and Wales	01698769
Churchill Group Limited	England and Wales	00922947
Primeairo Limited	England and Wales	02199203

SCHEDULE 2 : MORTGAGED PROPERTY

Chargor	Freehold/Leasehold	Title number	Description
International Hoteliers (UK) Limited (company number 01698769)	Headleasehold dated 30 April 2013 between (1) The Trustees of the Portman Estate and (2) International Hoteliers (UK) Limited	NGL934670	The Churchill Hotel 30 Portman Square London W1H 7BH
Churchill Group Limited (company number 00922947)	Underlease dated 30 April 2013 made between (1) International Hoteliers (UK) Limited and (2) Churchill Group Limited	NGL934672	The Churchill Hotel 30 Portman Square London W1H 7BH
Capital Hill Hotels Group London Limited (company number 03462675)	Freehold	379553	St Martins Lane Hotel 42 to 49 St Martin's Lane 9A, 10 and 11 Hop Gardens, 12 to 19 Bedfordbury, 12 to 22 Mays Buildings London WC2N 4HX
Capital Hill Hotels Group London Limited (company number 03462675)	Headleasehold dated 31 January 1997 between (1) Mrs P A Allsopp, M E R Allsopp, W P Harriman and A W K Merriam and (2) Burford (Covent Garden) Limited (now known as Capital Hill Hotels Group Europe Limited)	NGL748048	The Sanderson Hotel 49-57 (odd) Berners Street London W1T 3NG

SCHEDULE 3 . SHARES

Chargor	Name of company in which shares are held	Name of nominee (if any) by whom shares are held	Class of shares held	Number of shares held
Capital Hill Hotels Limited	Capital Hill Hotels Group Europe Limited	N/A	A Ordinary B Ordinary Preference Ordinary	2499999 2499999 2
Capital Hill Hotels Group Europe Limited	Capital Hill Hotels Group London Limited	N/A	Ordinary Ordinary 1	23 2
Primeairo Limited	International Hoteliers (UK) Limited	N/A	Ordinary	2,000,000
International Hoteliers (UK) Limited	Churchill Group Limited	N/A	Ordinary Deferred	3,309,200 99
Primeairo Limited	Churchill Group Limited	N/A	Deferred	1
Havana Holdings (UK) Limited	Primeairo Limited	N/A	Ordinary	4,000,002

SCHEDULE 4 ACCOUNTS

Obligor Number	Name of Account	Account Bank	Account
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SCHEDULE 5 : ASSIGNED CONTRACTS

Date	Parties	Description
28 November 2005	Churchill Group Limited and Hyatt Holdings (UK) Limited	Management Agreement for the Churchill Hyatt Regency Hotel, 30 Portman Square, London W1H 7BH
23 November 2011	Morgans Hotel Group U K Management Limited and Capital Hill Hotels Group London Limited (formerly known as Morgans Hotel Group London Limited)	Management Agreement for the St Martins Lane Hotel, London WC2N 4HX
23 November 2011	Morgans Hotel Group U K Management Limited and Capital Hill Hotels Group London Limited (formerly known as Morgans Hotel Group London Limited)	Management Agreement for the Sanderson Hotel, London W1T 3NG
28 November 2005	Churchill Group Limited and Hyatt International (Europe Africa and Middle East) LLC	Churchill Hotel Management Agreement Guarantee
On or about the date hereof	Capital Hill Hotels Limited and Barclays Bank PLC	Hedging Agreement
On or about the date hereof	Havana Holdings (UK) Limited and Barclays Bank PLC	Hedging Agreement
On or about the date hereof	Havana Holdings (UK) Limited and National Bank of Kuwait S A K (Bahrain Branch)	Hedging Agreement
On or about the date hereof	Capital Hill Hotels Limited and National Bank of Kuwait S A.K (Bahrain Branch)	Hedging Agreement

SCHEDULE 6 : NOTICE TO BANK HOLDING AN ACCOUNT

To [Account Bank]

Address [•]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a Security Agreement dated [•] 2015 between (amongst others) [•] as chargor (the "Chargor") and Barclays Bank PLC as Security Agent (the "Security Agent") we have charged by way of first fixed charge in favour of the Security Agent (as agent and trustee for the Finance Parties referred to in the Security Agreement) all of our rights in respect of any amount standing to the credit of any account maintained by us with you at any of your branches (the "Account[s]") and the debts represented by those Account[s]

We irrevocably instruct and authorise you to

- (A) disclose to the Security Agent any information relating to the Account[s] requested from you by the Security Agent,
- (B) comply with the terms of any written notice or instruction relating to the Account[s] received by you from the Security Agent,
- (C) hold all sums standing to the credit of the Account[s] to the order of the Security Agent, and
- (D) pay or release any sum standing to the credit of the Account in accordance with the written instructions of the Security Agent

With respect to any [*insert details of unblocked account*], ("Unblocked Accounts") you may continue to deal with us until such time you receive written notice to the contrary from the Security Agent, whereupon we will not be permitted to withdraw any amounts from any Unblocked Account without the prior written consent of the Security Agent

With respect to any Account other than an Unblocked Account, we are not permitted to withdraw any amount from the Accounts without the prior written consent of the Security Agent

We acknowledge that you may comply with the instructions in this letter without any further permission from the Chargor or enquiry by you

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

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Account[s] as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Agent at [•], marked for the attention of [•]

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the notice of which this is a copy and confirm that we

- (A) will accept the instructions contained in the notice and agree to comply with the notice,
- (B) have not received notice of the interest of any third party in the Account[s],
- (C) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account[s], and
- (D) will not permit any amount to be withdrawn from the Account[s] without the prior written consent of the Security Agent other than the Unblocked Accounts.

For and on behalf of
[bank]

Date

SCHEDULE 7 : NOTICE TO COUNTERPARTY TO ASSIGNED CONTRACT

To [Counterparty]

Address [•]

[Date]

Dear Sirs,

This letter constitutes notice to you that under a Security Agreement dated [•] between (amongst others) [[•] (the "Chargor") and Barclays Bank PLC as Security Agent (the "Security Agent") we have assigned to the Security Agent (as agent and trustee for the Finance Parties referred to in the Security Agreement) all of our present and future right, title and interest in and to [*describe agreement*] (the "Agreement")

We will remain liable under the Agreement to perform all the obligations assumed by us under the Agreement. None of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Agreement.

We will be entitled to exercise all of our rights, powers and discretions under the Agreement, and you should continue to give notices under the Agreement to us, unless and until you receive notice from the Security Agent to the contrary. In this event, all the rights, powers and discretions under the Agreement will be exercisable by, and notices must be given to, the Security Agent or as it directs.

Please note that we have agreed not to amend, waive or vary any provision of or terminate the Agreement without the prior consent of the Security Agent.

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

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law.

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Agreement as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Agent at [•], marked for the attention of [•].

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or charge or notice that any other person claims any rights in respect of the Agreement.

For and on behalf of
[The Counterparty]

Date: .

SCHEDULE 8 : NOTICE TO INSURERS

To [The Insurers]

Address [•]

[Date]

Dear Sirs

This letter constitutes notice to you that under a Security Agreement dated [•] between (amongst others) [[•] (the "Chargor") and Barclays Bank PLC as Security Agent (the "Security Agent") we have assigned to the Security Agent (as agent and trustee for the Finance Parties referred to in the Security Agreement) all of our present and future right, title and interest in and to the contracts of insurance listed in the schedule to this notice (together the "Insurances") taken out with you by or on behalf of us or under which we have a right to claim

- 1 All moneys payable by you to the Chargor in respect of the Insurances other than public liability and third party liability Insurances shall be paid as directed by the Chargor, unless and until you receive written notice from the Security Agent to the contrary, in which event you should make all future payments as then directed by the Security Agent
- 2 Subject to any applicable legislation and despite the assignments referred to above, all sums in respect of any claim under any public liability and third party liability insurance by an insured party shall be paid
- 3 directly to the person whose claim(s) constitute(s) the risk or liability insured against, provided that such person has executed a discharge of all claims against each insured party in respect of the risk or liability in relation to which the claim was made, or
- 4 (despite any policy term to the contrary) to the extent that insurers accept liability to indemnify the insured party in respect of the claims or liabilities which the insured party has settled directly with the claimant, to the relevant insured party, unless the insured party is us, in which case such sums shall be paid as directed by the Security Agent
- 5 This authority and instruction is irrevocable without the prior written consent of the Security Agent

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Insurances as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Agent at [•], marked for the attention of [•]

For and on behalf of
[•]
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and agree to comply with its terms. We confirm that we have not received any other notice of assignment or notice that any other person claims any rights in respect of the Insurances.

For and on behalf of
[The Insurer]

Date

SCHEDULE 9 NOTICE TO TENANTS

[On the letterhead of the Chargor]

To [Tenant]

[Date]

Dear Sirs,

Re: [Property]

This letter constitutes notice to you that under a Security Agreement dated [•] between (amongst others) [[•] (the "Chargor") and Barclays Bank PLC as Security Agent (the "Security Agent") we have assigned to the Security Agent (as agent and trustee for the Finance Parties referred to in the Security Agreement) all of our present and future right, title and interest in and to [describe lease] (the "Lease Document")

We irrevocably instruct and authorise you to pay any rent payable by you under the Lease Document to our account [with the Security Agent] at [•], Account No [•], Sort Code [•] (the "Rent Account")

We will remain liable under the Lease Document to perform all the obligations assumed by us under the Lease Document. None of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease Document

Please note that we have agreed not to amend, waive or vary any provision of or terminate the Lease Document without the prior consent of the Security Agent

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

The instructions in this letter apply until you receive notice from the Security Agent 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 Security Agent

This notice and any non-contractual obligations and other matters arising from or in connection with it are governed by English law

Please acknowledge receipt of this notice, and confirm that you will pay all moneys in respect of the Insurances as directed by or pursuant to this notice, by signing the acknowledgement on the attached copy of this notice and returning that copy to the Security Agent at [•], marked for the attention of [•]

Yours faithfully,

For and on behalf of

[•]

as Chargor

[On duplicate]

We acknowledge receipt of the notice of which this is a copy and agree to comply with its terms
We confirm that we have not received any other notice of assignment or charge or notice that any other person claims any rights in respect of the Lease Document

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 Document (as defined in the notice), and
- (b) must pay all rent and all other monies payable by us under the Lease Document 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

For and on behalf of

[The Tenant]

Date

EXECUTION PAGE TO SECURITY AGREEMENT

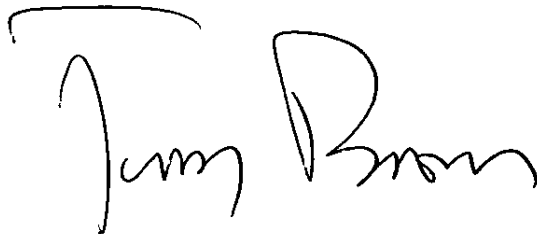
The Chargers

EXECUTED as a DEED by
CAPITAL HILL HOTELS LIMITED
acting by

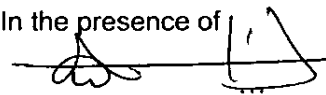


(name of director)

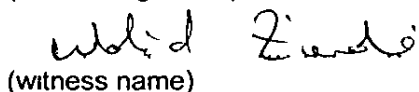
Director

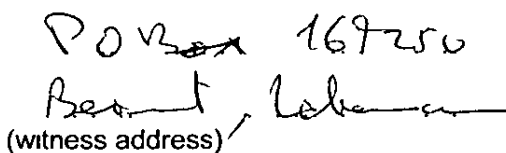


In the presence of

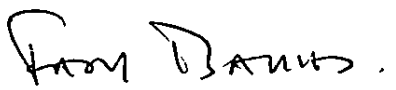


(witness signature)


(witness name)


(witness address)

EXECUTED as a DEED by
**CAPITAL HILL HOTELS GROUP
EUROPE LIMITED**
acting by

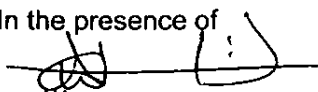


(name of director)

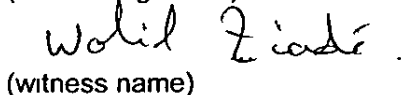
Director

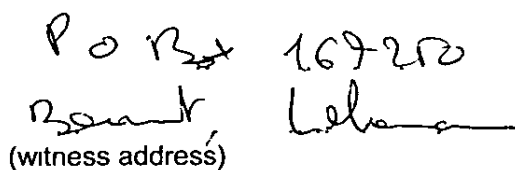


In the presence of



(witness signature)


(witness name)


(witness address)

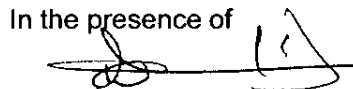
EXECUTED as a DEED by
CAPITAL HILL HOTELS GROUP
LONDON LIMITED
acting by



(name of director)

Director

In the presence of


(witness signature)

Wahid Zinde
(witness name)

P.O. Box 167250
Beirut, Lebanon
(witness address)



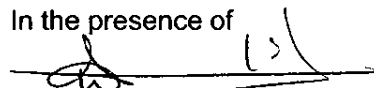
EXECUTED as a DEED by
HAVANA HOLDINGS (UK) LIMITED
acting by



(name of director)

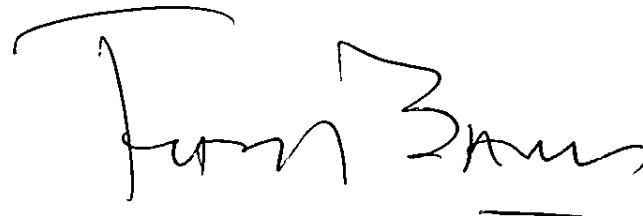
Director

In the presence of


(witness signature)

Wahid Zinde
(witness name)

P.O. Box 167250
Beirut, Lebanon
(witness address)



EXECUTED as a DEED by
**INTERNATIONAL HOTELIERS
(UK) LIMITED** acting by

Tony Brannan

(name of director)

Director

Tony Brannan

In the presence of

Wahid Zinde

(witness signature)

Wahid Zinde

(witness name)

PO Box 167250

Beirut, Lebanon

(witness address)

EXECUTED as a DEED by
CHURCHILL GROUP LIMITED
acting by

Tony Brannan

(name of director)

Tony Brannan

Director

In the presence of

Wahid Zinde

(witness signature)

Wahid Zinde

(witness name)

PO Box 167250

Beirut, Lebanon

(witness address)

EXECUTED as a DEED by
PRIMEIRO LIMITED
acting by

Paul Santos

(name of director)

)
)
)

Paul Santos

Director

In the presence of

[Signature]

(witness signature)

Wahid Ziedé

(witness name)

*PO Box 167250
Beirut, Lebanon*

(witness address)

Security Agent

Executed and delivered as a deed by

(name)

(signature)

for **BARCLAYS BANK PLC**
in the presence of

(witness signature)

(witness name)

(witness address)

EXECUTED as a DEED by)
PRIMEAIRO LIMITED)
acting by)

(name of director) Director

In the presence of:

(witness signature)

(witness name)

(witness address)

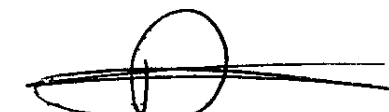
Security Agent

Executed and delivered as a deed by

KRISHNA MANEK
(name)


(signature)

for **BARCLAYS BANK PLC**
in the presence of


(witness signature)

JON DODDS
(witness name)

LEVEL 25, 1 CHURCHILL PLACE
LONDON, E14 5HP
(witness address)