



Registration of a Charge

Company name: **WELCOME BREAK HOLDINGS (2) LIMITED**

Company number: **04379574**



X8IMF20A

Received for Electronic Filing: **20/11/2019**

Details of Charge

Date of creation: **12/11/2019**

Charge code: **0437 9574 0005**

Persons entitled: **LLOYDS BANK PLC AS SECURITY AGENT (AS TRUSTEE FOR EACH OF THE SECURED PARTIES)**

Brief description: **N/A**

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

Certified by:

CLIFFORD CHANCE LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4379574

Charge code: 0437 9574 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th November 2019 and created by WELCOME BREAK HOLDINGS (2) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th November 2019 .

Given at Companies House, Cardiff on 21st November 2019

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

EXECUTION VERSION

DATED 23 OCTOBER 2019

WELCOME BREAK HOLDINGS (2) LIMITED

IN FAVOUR OF

LLOYDS BANK PLC
AS THE SECURITY AGENT

SECURITY ASSIGNMENT OF INTRAGROUP
LOANS

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THIS AGREEMENT is made by way of deed on 23 October 2019

BY

- (1) **WELCOME BREAK HOLDINGS (2) LIMITED** registered in England and Wales with company registration number 04379574 (the "**Chargor**"); and
- (2) **LLOYDS BANK PLC** as trustee for each of the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the "**Security Agent**", which expression shall include any person for the time being appointed as trustee or as an additional trustee for the purpose of and in accordance with the Intercreditor Agreement).

RECITALS:

- (A) Further to (a) the Original Bank Facilities Agreement, the Original Lenders (as defined therein) have agreed to make facilities available to the Original Borrowers (as defined therein); (b) the Original Institutional A1 Notes Purchase Agreement, the Original Notes Purchasers (as defined therein) have agreed to make available notes facilities to the Issuer (as defined therein); and (c) the Original Institutional A2 Notes Purchase Agreement, the Original Notes Purchasers (as defined therein) have agreed to make available notes facilities to the Issuer (as defined therein) (together, the "**Facilities**").
- (B) It is a condition precedent to the Facilities being made available under each of the Original Bank Facilities Agreement, the Original Institutional A1 Notes Purchase Agreement and the Original Institutional A2 Notes Purchase Agreement that the Chargor enters into this Agreement.
- (C) It is intended by the parties to this Agreement that this document will take effect as a deed despite the fact that a party may only execute this Agreement under hand.
- (D) The Security Agent is acting under and holds the benefit of the rights conferred upon it in this Agreement on trust for the Secured Parties.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Administration Event" means:

- (a) the presentation of an application to the court for the making of an administration order in relation to the Chargor; or
- (b) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of the Chargor or the filing of such a notice with the court.

"Assigned Property" means the rights and property expressed to be assigned in Clause 3 (*Assignment*).

"Collateral Rights" means all rights, powers and remedies of the Security Agent provided by or pursuant to this Agreement or by law.

"Contract" means any agreement, whether or not in writing, evidencing the terms of any intra-group liabilities made between the Chargor as lender and any member of the Group as borrower.

"Deed of Release" means the deed of release dated on or about the date of this Agreement and made between, among others, Lloyds Bank plc as security agent and Welcome Break Holdings (2) Limited in connection with the Existing Debt Refinancing.

"Effective Time" has the meaning given to that term in the Deed of Release.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date of this Agreement and made between, among others, the Parent, Welcome Break Group Limited as the Company, Lloyds Bank Plc as the Original Bank Facilities Agent, Allianz Global Investors GmbH as the Original Institutional A1 Notes Purchaser Representative, MIDF UK1B Ireland DAC, Zurich Assurance Ltd, Perdix Infrastructure Investments DAC and Just Retirement Limited as the Original Institutional A2 Notes Purchaser Representatives and the Security Agent.

"Notice of Assignment" means a notice of assignment in substantially the form set out in the Schedule or in such form as may be specified by the Security Agent.

"Parent" means Welcome Break Holdings (1) Limited, registered in England and Wales with registration number 04099287.

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

"Related Rights" means:

- (a) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from each Contract; and
- (b) any monies and proceeds paid or payable in respect of each Contract.

"Secured Debt Documents" has the meaning given to that term in the Intercreditor Agreement.

"Secured Obligations" has the meaning given to that term in the Intercreditor Agreement.

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

"Security Period" means the period beginning on the date of this Agreement and ending on the date on which the Security Agent is satisfied that the Secured Obligations have been irrevocably and unconditionally paid or discharged in full and no Secured Party is under any further actual or contingent obligation to make advances or provide other financial accommodation to any Debtor or any other person under any of the Secured Debt Documents.

1.2 Terms defined in other Secured Debt Documents

Unless defined in this Agreement or the context otherwise requires, a term defined in the Intercreditor Agreement or in any other Secured Debt Document has the same meaning in this Agreement or any notice given under or in connection with this Agreement.

1.3 Construction

In this Agreement:

- (a) the rules of interpretation in clause 1.2 (*Construction*) of the Intercreditor Agreement will apply as if incorporated in this Agreement or in any notice given under or in connection with this Agreement;
- (b) any reference to the **"Security Agent"**, the **"Secured Parties"**, the **"Finance Parties"**, the **"Chargor"** or any **"Debtor"** shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective interests and, in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Intercreditor Agreement;
- (c) any reference to **"including"** and **"include"** shall mean including and include "without limitation" and any words following such terms shall be construed as illustrative and shall not limit the meaning or scope of the phrase or words preceding such terms; and
- (d) references in this Agreement to any Clause or Schedule shall be to a Clause or Schedule contained in this Agreement.

1.4 Present and future assets

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

1.5 Security Agent assumes no obligations

The Security Agent shall not be under any obligation in relation to the Assigned Property as a consequence of this Agreement and the Chargor shall at all times remain liable to perform all obligations in respect of the Assigned Property.

1.6 Third Party Rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

2. COVENANT TO PAY

2.1 Covenant to pay

The Chargor, as a primary debtor and not only as surety, covenants with the Security Agent that it shall, if a Secured Obligation has become due, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations in accordance with the requirements of the Secured Debt Documents under which such obligation arose including any liability in respect of any further advances made under the Secured Debt Documents and the Chargor shall pay to the Security Agent when due and payable every sum at any time owing, due or incurred by any Debtor to the Security Agent or any of the other Secured Parties in respect of such liabilities.

2.2 Default interest

If the Chargor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (both before and after judgment) at the rate determined in accordance with and on the terms set out in clause 22.5 (*Interest on demand*) of the Intercreditor Agreement.

2.3 Limited Recourse

The recourse of the Security Agent against the Chargor in respect of the Secured Obligations is limited to the rights of enforcement and recovery against the Assigned Property and accordingly the Security Agent agrees that the total amount recoverable against the Chargor under this Agreement shall be limited to the proceeds recovered by the Security Agent realising the Assigned Property in accordance with this Agreement.

3. ASSIGNMENT

3.1 Assignment

With effect from and including the Effective Time, the Chargor assigns and agrees to assign absolutely to the Security Agent with full title guarantee all of its rights, title and interest from time to time in and to each Contract and all Related Rights as continuing Security for the payment and discharge of all the Secured Obligations.

3.2 Floating security interest

The Security Agent and the Chargor acknowledge that, with effect from and including the Effective Time, the Chargor has granted an assignment pursuant to Clause 3.1 (*Assignment*). Notwithstanding this, at any time from and including the Effective Time to the expiry of the Security Period, the Security Agent may permit such assignment created pursuant to Clause 3.1 (*Assignment*) to take effect as a floating security interest, at which time, the Security Agent will notify the Chargor accordingly and the

provisions in Clause 3.3 (*Crystallisation: by notice*) and Clause 3.4 (*Crystallisation: automatic*) will apply.

3.3 Crystallisation: by notice

The Security Agent may at any time by notice in writing to the Chargor convert (i) any security interest created pursuant to Clause 3.1 (*Assignment*) which takes effect, or is recharacterised as a floating charge or (ii) any floating security interest effected pursuant to Clause 3.2 (*Floating security interest*), with immediate effect into a fixed security interest if:

- (a) an Acceleration Event has occurred;
- (b) the Security Agent considers that any of the Assigned Property with an aggregate market value in excess of £1,000,000 may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Chargor requests the Security Agent to exercise any of its powers under this Agreement.

3.4 Crystallisation: automatic

Notwithstanding Clause 3.3 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, (i) any security interest created pursuant to Clause 3.1 (*Assignment*) which takes effect, or is recharacterised as a floating charge, or (ii) any floating security interest effected pursuant to Clause 3.2 (*Floating security interest*) will automatically be converted (without notice) with immediate effect into a fixed security interest if:

- (a) the Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Original Bank Facilities Agreement, the Original Institutional A1 Notes Purchase Agreement and the Original Institutional A2 Notes Purchase Agreement and any Additional Finance Document Equivalent), over any of the Assigned Property;
- (b) any person levies any distress, execution diligence, arrestment, inhibition or other process against any of the Assigned Property with an aggregate market value in excess of £1,000,000;
- (c) an Administration Event occurs;
- (d) a Receiver is appointed over all or any part of the Assigned Property;
- (e) a meeting is convened for the passing of a resolution for the voluntary winding-up of the Chargor;
- (f) a petition is presented for the compulsory winding-up of the Chargor;
- (g) a provisional liquidator is appointed to the Chargor; or
- (h) a resolution is passed or an order is made for the dissolution or reorganisation of the Chargor,

or any analogous procedure or step is taken in any jurisdiction.

4. PROVISIONS AS TO SECURITY AND PERFECTION

4.1 Negative pledge and restriction on dealings

Except as permitted under the Original Bank Facilities Agreement, the Original Institutional A1 Notes Purchase Agreement, the Original Institutional A2 Notes Purchase Agreement and any Additional Finance Document, the Chargor shall not at any time during the Security Period create or permit to subsist any Security over all or any part of the Assigned Property or dispose of or otherwise deal in any way with the Assigned Property or any part of it.

4.2 Implied covenants for title

- (a) The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Assignment*).
- (b) It shall be implied in respect of Clause 3 (*Assignment*) that the Chargor is disposing of the Assigned Property free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

4.3 Notice of Assignment

The Chargor shall, within five (5) Business Days after the date on which the Effective Time occurs, deliver to each other party to each Contract (with a copy to the Security Agent) a Notice of Assignment duly executed by, or on behalf of, the Chargor in respect of each Contract and the Chargor shall use all reasonable endeavours to procure from the relevant third party an acknowledgement in the form set out in such Notice of Assignment.

4.4 Further advances

Subject to the terms of the Original Bank Facilities Agreement, the Original Institutional A1 Notes Purchase Agreement and the Original Institutional A2 Notes Purchase Agreement and any Additional Finance Document Equivalent, each of the Original Bank Facilities Lenders, the Original Institutional A1 Notes Purchasers, the Original Institutional A2 Notes Purchasers and the Additional Creditors under those documents are under an obligation to make further advances to the Debtors under those documents and that obligation shall be deemed to be incorporated into this Agreement as if set out in this Agreement.

5. FURTHER ASSURANCE

5.1 Extension of implied covenant

The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in Clause 5.2 below.

5.2 Further assurance

Subject to the Agreed Security Principles, the Chargor shall promptly, at its own cost, take all such action (including making all filings, registrations and notarisations) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may specify (and in such form as the Security Agent may require) in favour of the Security Agent or its nominee(s):

- (a) to create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Assigned Property (which may include the execution by the Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, the Assigned Property) or for the exercise of the Collateral Rights; and/or
- (b) to facilitate the realisation of the Assigned Property.

6. CHARGOR'S REPRESENTATIONS AND UNDERTAKINGS

6.1 Representations

The Chargor makes the following representations and warranties to the Security Agent and acknowledges that the Security Agent has become a party to this Agreement in reliance on these representations and warranties.

(a) ***Contract in force***

Each Contract is in full force and effect, enforceable in accordance with its terms, has not been amended, varied, superseded or supplemented, no provisions have been waived and, at the date specified above, the Chargor is not in breach of any term or condition of any Contract.

(b) ***No restrictions***

There are no restrictions on the Chargor's ability to assign the Assigned Property, whether contained in any Contract or in any other document.

(c) ***Repetition***

The representations set out in paragraphs (a) (*Contract in force*) and (b) (*No restrictions*) of this Clause are deemed to be made by the Chargor by reference to the facts and circumstances then existing on the date of this Agreement, on the Closing Date, on the date of each Utilisation Request, on each Utilisation Date, on the first date of each Interest Period, on the date of each Incremental Facility Notice and on each Incremental Establishment Date .

6.2 Undertakings

(a) ***No variation***

The Chargor shall not vary, rescind or amend any Contract except with the prior written consent of the Security Agent.

(b) ***Compliance with Contract***

The Chargor shall promptly comply with its obligations under the Contract.

(c) ***No set off etc***

The Chargor shall not take or omit to take any action which might result in (i) the alteration or impairment of any rights in the Assigned Property; (ii) any default of any of its obligations under any Contract; (iii) any right to terminate any Contract becoming exercisable by the debtor(s) under any Contract; or (iv) any counterclaims or rights of set-off arising under any Contract.

(d) ***Governing law***

The Chargor shall procure that each Contract is governed by English law (unless this would be adversely prejudicial to the Group).

7. TURNOVER

If, in breach of any payment instructions in the Notice of Assignment, the Chargor receives any payment under any Contract, it shall hold that payment on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct.

8. ENFORCEMENT OF SECURITY

8.1 Enforcement

On and at any time after the occurrence of an Acceleration Event or if the Chargor requests the Security Agent to exercise any of its powers under this Agreement or if a petition or application is presented for the making of an administration order in relation to the Chargor or if any person gives written notice of its intention to appoint an administrator of the Chargor or files such a notice with the court, the Security created by or pursuant to this Agreement is immediately enforceable and the Security Agent may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- (a) secure and perfect its title to all or any part of the Assigned Property (including transferring the same into the name of the Security Agent or its nominee(s)) or otherwise exercise in relation to the Assigned Property all the rights of an absolute owner;
- (b) enforce all or any part of that Security, at the times, in the manner and on the terms it thinks fit, and take possession of, hold, dispose of, apply or transfer all or any part of the Assigned Property (and any assets of the Chargor which, when got in, would be part of the Assigned Property), at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration); and
- (c) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925

(as varied or extended by this Agreement) on mortgagees and by this Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers.

8.2 Effect of moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 8.1 (*Enforcement*) or Clause 3.3 (*Crystallisation: by notice*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining, or taking steps to obtain, a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

9. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

9.1 Extension of power of sale

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Agreement.

9.2 Restrictions

The restrictions contained in sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Agreement with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Chargor on or at any time after the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*).

9.3 Right of appropriation

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*), to the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended (the "**Regulations**") apply to all or any part of the Assigned Property, the Security Agent shall have the right to appropriate the relevant Assigned Property in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, the parties agree that the value of the Assigned Property so appropriated shall be the amount standing to the credit of any account (at the time the right of appropriation is exercised) which represents any sums paid to the Chargor pursuant to the Contract. The parties further agree that the method of valuation provided for in this Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

9.4 Statutory powers

The powers conferred by this Agreement on the Security Agent are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law (as extended by this Agreement) and such powers shall remain exercisable from

time to time by the Security Agent in respect of each Contract. In the case of any conflict between the statutory powers contained in any such Acts and those conferred by this Agreement, the terms of this Agreement shall prevail.

10. APPOINTMENT OF RECEIVER

10.1 Appointment and removal

After the Security created by or pursuant to this Agreement has become enforceable in accordance with Clause 8 (*Enforcement of Security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent), without prior notice to the Chargor:

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Assigned Property;
- (b) appoint two or more Receivers of separate parts of the Assigned Property;
- (c) remove (so far as it is lawfully able) any Receiver so appointed; and
- (d) appoint another person(s) as an additional or replacement Receiver(s).

10.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 10.1 (*Appointment and Removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) the agent of the Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

10.3 Statutory powers of appointment

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

11. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Assigned Property (and any assets of the Chargor which, when got in, would be part of the Assigned Property) in respect of which he was appointed, and as varied and extended by the provisions of this Agreement (in the name

of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):

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

12. APPLICATION OF PROCEEDS

All monies received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by the Chargor) in accordance with clause 16 (*Application of proceeds*) of the Intercreditor Agreement.

13. PROTECTION OF PURCHASERS

13.1 Consideration

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

13.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned to inquire whether that power has been properly or regularly exercised by the Security Agent or such Receiver in such dealings.

14. POWER OF ATTORNEY

14.1 Appointment and powers

The Chargor, by way of security, irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Chargor by this Agreement or any other agreement binding on the Chargor to which the Security Agent is a party (including the execution and delivery of any deeds, charges, assignments or other Security and any transfers of the assets subject to the Security and perfecting and/or releasing the Security created or intended to be created in respect of the Assigned Property); and
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, all or any of the Collateral Rights (including after the occurrence of an Acceleration Event, the exercise of any right of a legal or beneficial owner of the Assigned Property).

14.2 Ratification

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

15. EFFECTIVENESS OF SECURITY

15.1 Continuing security

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

15.2 Cumulative rights

The Security created by or pursuant to this Agreement, and the Collateral Rights shall be cumulative, in addition to and independent of every other Security which the Security Agent or any other Secured Party may at any time hold for the Secured

Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent Security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Assigned Property shall merge into the Security created by this Agreement.

15.3 No prejudice

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

15.4 Remedies and waivers

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any Collateral Right, shall operate as a waiver of that Collateral Right or constitute an election to affirm this Agreement. No election to affirm this Agreement on the part of the Security Agent shall be effective unless it is in writing. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

15.5 No liability

None of the Security Agent, its nominee(s) or any Receiver shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Agreement or any neglect or default in connection with the Assigned Property or taking possession of or realising all or any part of the Assigned Property,

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

15.6 Partial invalidity

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

15.7 Waiver of defences

The obligations assumed, and the Security created, by the Chargor under this Agreement, and the Collateral Rights, will not be affected by any act, omission, matter

or thing which, but for this Clause 15.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Agreement (whether or not known to the Chargor or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Debtor or other person;
- (b) the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (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 Debtor 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, any Debtor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (in each case, however fundamental and whether or not more onerous) or replacement of a Secured Debt Document or any other document or Security or of the Secured Obligations including, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Secured Debt Document or other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Secured Debt Document or any other document or Security or of the Secured Obligations; or
- (g) any insolvency or similar proceedings.

15.8 Chargor intent

Without prejudice to the generality of Clause 15.7 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security created under this Agreement, and the Collateral Rights, shall extend from time to time to any (however fundamental and whether or not more onerous) variation, increase, extension or addition of or to any of the Secured Debt Documents and/or any facility or amount made available under any of the Secured Debt Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

15.9 Immediate recourse

The Chargor waives any right it may have of first requiring the any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from the Chargor

under this Agreement or enforcing the Security created by this Agreement. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

15.10 Deferral of Rights

Until the end of the Security Period, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement:

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

If the Chargor receives any benefit, payment or distribution in relation to such rights, it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Debtors under or in connection with the Secured Debt Documents to be repaid in full on trust for the Secured 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 12 (*Application of Proceeds*).

15.11 Additional Security

The Security created by the Chargor under this Agreement and the Collateral Rights are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by any Secured Party.

16. PRIOR SECURITY INTERESTS

16.1 Redemption or transfer

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Assigned Property or in case of exercise by the Security Agent or any Receiver of any power of sale or right of appropriation or application under this Agreement, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.

16.2 Accounts

The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Chargor.

16.3 Costs of redemption or transfer

All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargor to the Security Agent on demand together with accrued interest thereon (after as well as before judgment) calculated in accordance with Clause 2.2 (*Default interest*).

17. SUBSEQUENT SECURITY INTERESTS

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

18. SUSPENSE ACCOUNTS

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

19. RELEASE OF SECURITY

19.1 Release of Security

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the Chargor, procure the reassignment to the Chargor of the Assigned Property, subject to Clause 19.2 (*Clawback*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

19.2 Clawback

If the Security Agent considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Agreement and the

Security created by this Agreement will continue and such amount will not be considered to have been irrevocably paid or credited.

20. SET-OFF

The Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the occurrence of an Acceleration Event, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Agent to the Chargor and apply any credit balance to which the Chargor is entitled on any account with the Security Agent in accordance with Clause 12 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

21. ASSIGNMENT

21.1 No assignments or transfers by Chargor

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Agreement.

21.2 Assignments by the Security Agent

The Security Agent may assign all or any of its rights under this Agreement to a successor or other person in accordance with the terms of the Intercreditor Agreement. The Security Agent shall be entitled to disclose such information concerning the Chargor and this Agreement as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

21.3 Successors

This Agreement shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent. References to the Security Agent shall include (i) any assignee or successor in title of the Security Agent, (ii) any entity into which the Security Agent is merged or converted or with which it may be consolidated, (iii) any legal entity resulting from any merger, conversion or consolidation to which such Security Agent is a party and (iv) any other person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Agreement or to which, under such laws, those rights and obligations have been transferred (such person described in (i) to (iv) being a successor to the Security Agent for all purposes under the Secured Debt Documents).

22. EXPENSES, STAMP TAXES, INDEMNITY

22.1 Expenses

The Chargor shall:

- (a) within ten (10) Business Days of demand from the Security Agent giving reasonable details thereof and providing copies of invoices where available, pay (or shall procure that a Debtor will pay) the Security Agent for all the costs and expenses (including legal fees but subject to any applicable cap agreed)

(together with any applicable VAT) reasonably incurred by it in connection with the negotiation, preparation, execution and perfection of this Agreement and the completion of the transactions and perfection of the security contemplated in this Agreement; and

- (b) within ten (10) Business Days of demand from the Security Agent giving reasonable details thereof and providing copies of invoices, pay to each Secured Party the amount of all costs and expenses (including legal fees) (together with any applicable VAT) incurred by the Secured Party in connection with the exercise, preservation and/or enforcement of any of the Collateral Rights or the security contemplated by this Agreement and any proceedings instituted by or against the Secured Party as a consequence of taking or holding the security contemplated by this Agreement or enforcing these rights.

22.2 Stamp taxes

The Chargor shall pay and, within three Business Days of demand, indemnify the Security Agent against any cost, loss or liability that the Security Agent incurs in relation to all stamp duty, registration and other similar taxes or fees payable in respect of this Agreement or the Security contemplated in this Agreement.

22.3 Indemnity

The Chargor shall, notwithstanding any release or discharge of all or any part of the Security, indemnify the Security Agent, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by any Chargor of the provisions of this Agreement or the exercise of any of the rights and powers conferred on them by this Agreement or by law.

22.4 Payments free of deduction

All payments to be made to the Security Agent under this Agreement shall be made free and clear of and without deduction for or on account of tax unless the Chargor is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the person on account of whose liability to tax such deduction or withholding has been made receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

22.5 Currency Conversion

- (a) For the purpose of or pending the discharge of any of the Secured Obligations the Security Agent may convert any monies received, recovered or realised by the Security Agent from one currency to another, at the spot rate at which the Security Agent is able to purchase the currency in which the Secured Obligations are due with the amount received, recovered or realised.

- (b) The obligations of the Chargor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

23. CURRENCY INDEMNITY

If any sum (a "Sum") owing by the Chargor under this Agreement or any order or judgment given or made in relation to this Agreement has to be converted from the Currency (the "First Currency") in which such Sum is payable into another currency (the "Second Currency") for the purpose of:

- (a) making or filing a claim or proof against the Chargor;
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings; or
- (c) applying the Sum in satisfaction of any Secured Obligations,

the Chargor shall as an independent obligation, within three Business Days of demand, indemnify the Security Agent and each other Secured Party to whom that sum is due against any cost, loss or liability arising out of or as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert such Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to the Security Agent at the time of such receipt of such Sum.

24. WAIVERS AND COUNTERPARTS

24.1 Waivers

No waiver by the Security Agent of any of its rights under this Agreement shall be effective unless given in writing.

24.2 Counterparts

This Agreement 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 Agreement.

25. DISCRETION AND DELEGATION

25.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Intercreditor Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

25.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude the subsequent exercise, any subsequent

delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

26. CALCULATIONS AND CERTIFICATES

26.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by the Security Agent are *prima facie* evidence of the matters to which they relate.

26.2 Certificates and determinations

Any certification or determination by the Security Agent of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

27. GOVERNING LAW

This Agreement and all non-contractual obligations arising out of 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 Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity) or any non-contractual obligations arising out of or in connection with this Agreement)(a "**Dispute**").
- (b) The Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, it will not argue to the contrary.
- (c) This Clause 28 is for the benefit of the Security Agent only. As a result and notwithstanding paragraph (a) of this Clause 28.1 (*Jurisdiction*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS AGREEMENT has been signed by the Security Agent and executed as a deed by the Chargor and is delivered by it as a deed on the date specified above.

**SCHEDULE
FORM OF NOTICE OF ASSIGNMENT**

To: [•]

Date: [•]

Dear Sirs,

1. We hereby give you notice that we have assigned to [•] (the "**Security Agent**") pursuant to an assignment (the "**Assignment**") entered into by us in favour of the Security Agent dated [•] all our right, title and interest in and to [*details of contract*] (the "**Contract**") including all monies which may be payable in respect of the Contract. Unless otherwise defined herein, terms and expressions herein shall have the same meaning ascribed to them in the Assignment.
2. With effect from your receipt of a notice from us that an Acceleration Event has occurred:
 - (a) all payments by you to us under or arising from the Contract (the "**Payments**") shall be paid to the Security Agent or to its order as it may specify in writing from time to time;
 - (b) all remedies provided for in the Contract or available at law or in equity shall be exercisable by the Security Agent;
 - (c) all rights to compel performance of the Contract shall be exercisable by the Security Agent; and
 - (d) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract shall belong to the Security Agent.
3. We shall continue to be solely responsible for the performance of our obligations under or in connection with the Contract.
4. You are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Security Agent as well as to us.
5. These instructions may not be revoked, nor may the terms of the Contract be amended, varied, waived or terminated, without the prior written consent of the Security Agent except as permitted pursuant to the terms of the Original Bank Facilities Agreement, the Original Institutional A1 Notes Purchase Agreement, the Original Institutional A2 Notes Purchase Agreement and any Additional Finance Document.
6. Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [•] marked for the attention of [•].
7. This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....
For and on behalf of
Welcome Break Holdings (2) Limited

Acknowledgement

To: [•]

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice.

We further confirm that:

- (a) we have not claimed or exercised and have no outstanding right to claim or exercise any right of set-off, counterclaim or other right relating to the Payments;
- (b) no amendment, waiver or release of any rights, interests and benefits in and to the Contract shall be effective without your prior written consent except as permitted pursuant to the terms of the Original Bank Facilities Agreement, the Original Institutional A1 Notes Purchase Agreement and the Original Institutional A2 Notes Purchase Agreement and any Additional Finance Document Equivalent;
- (c) no termination of those rights, interests or benefits shall be effective unless we have given you thirty days written notice of the proposed termination, specifying the action necessary to avoid such termination; and
- (d) no breach or default on the part of Welcome Break Holdings (2) Limited of any of the terms of the Contract shall be deemed to have occurred unless we have given you notice of such breach specifying how to make good such breach.

We acknowledge receipt of instructions from you in connection with the assignment of the Contract and confirm that we shall act in accordance with them until we receive written notification from you to the contrary.

For and on behalf of [Debtor]

By:.....

Dated:

EXECUTION PAGE

Chargor

EXECUTED as a DEED

For and on behalf of

WELCOME BREAK HOLDINGS (2) LIMITED

.......... Signature of Director

.....*John Dwyer*..... Name of Director

in the presence of

.......... Signature of witness

.....*Catherine Gould*..... Name of witness

.......... Address of witness

.....*Financial Accountant*..... Occupation of witness

Address: 2 Vantage Court, Tickford Street, Newport Pagnell, Buckinghamshire MK16 9EZ

Email address: tim.lightfoot@welcomebreak.co.uk

Attention: Tim Lightfoot

Security Agent

Signed on behalf of

LLOYDS BANK PLC

By:



under a power of attorney dated 1st April 2019

Name: **JOHN TOGHER**
Title: **ASSOCIATE DIRECTOR**

Address: 11 Earl Grey Street, Edinburgh, EH3 9BN

Email address: Scott.SA.Mayberry@lloydsbanking.com

Attention: Scott Mayberry