



Registration of a Charge

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

Company number: **04379574**



X8IMF20I

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

Details of Charge

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

Charge code: **0437 9574 0006**

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 0006

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
AS THE CHARGOR

IN FAVOUR OF

LLOYDS BANK PLC
AS THE SECURITY AGENT

SECURITY OVER SHARES AGREEMENT OVER
SHARES IN WELCOME BREAK HOLDINGS (1)
LIMITED

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

BETWEEN

- (1) **WELCOME BREAK HOLDINGS (2) LIMITED** registered in England and Wales with company number 04379574 (the "**Chargor**"); and
- (2) **LLOYDS BANK PLC** as trustee for 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:

"Charged Portfolio" means the Shares and the Related Assets.

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

"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.

"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 Assets" means all dividends, interest and other monies at any time payable at any time in respect of the Shares and all other rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, Security, guarantees, indemnities, covenants for title, proceeds of sale and other monies and proceeds in respect of or derived from the Shares (whether by way of redemption, bonus, preference, option, substitution, conversion, compensation or otherwise) held by, to the order of, or on behalf of the Chargor at any time.

"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" means the security created under or pursuant to or evidenced by this 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.

"Shares" means all of the shares in the capital of the Parent held by, to the order of, or on behalf of the Chargor at any time.

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 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 AND CHARGE

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 Charged Portfolio 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 Charged Portfolio in accordance with this Agreement.

2.4 Charge

With effect from and including the Effective Time, the Chargor charges the Charged Portfolio with full title guarantee and by way of first fixed charge, in favour of the Security Agent, as continuing security for the payment and discharge of the Secured Obligations.

3. DEPOSIT OF CERTIFICATES, RELATED RIGHTS AND RELEASE

3.1 Deposit of certificates

The Chargor shall on the date on which the Effective Time occurs (or immediately upon coming into possession of the Chargor at any time) deposit (or procure there to be deposited) with the Security Agent all certificates and other documents of title to the Shares, and stock transfer forms (executed in blank by or on behalf of the Chargor) in respect of the Shares.

3.2 Related Assets

The Chargor shall, promptly upon the accrual, offer or issue of any Related Assets (in the form of stocks, shares, warrants or other securities) in which the Chargor has a beneficial interest, procure the delivery to the Security Agent of (a) all certificates and other documents of title representing those Related Assets and (b) such duly executed blank stock transfer forms or other instruments of transfer in respect of those Related Assets as the Security Agent may require.

3.3 Release

Upon the expiry of the Security Period, the Security Agent shall promptly, at the request and cost of the Chargor, release and cancel the security granted by this Agreement, subject to Clause 3.4 (*Clawback*), and without recourse to, or any representation or warranty by, the Security Agent or any of its nominee(s).

3.4 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 constituted by this Agreement will continue and such amount will not be considered to have been irrevocably discharged.

4. VOTING RIGHTS AND DIVIDENDS

4.1 Shares prior to an Acceleration Event

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

- (a) be entitled to receive and retain all dividends, distributions and other monies paid on or derived from its Shares to the extent permitted by the Secured Debt Documents; and
- (b) exercise all voting rights in relation to the Shares provided that the Chargor shall not exercise such voting rights in any manner which:
 - (i) which materially adversely affects the validity or enforceability of the security over the Shares created under this Agreement; or
 - (ii) causes an Event of Default to occur.

4.2 Shares after an Acceleration Event

Upon the occurrence of an Acceleration Event, the Security Agent may, at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor, apply all dividends, interest and other monies arising from the Shares as though they were the proceeds of sale in accordance with Clause 12 (*Application of Proceeds*).

4.3 Voting rights after Security Agent Notice

Subject to Clause 4.4 (*Waiver of voting rights by Security Agent*), upon the occurrence of an Acceleration Event, the Security Agent may (but without having any obligation to do so) give notice to the Chargor (with a copy to the Original Bank Facilities Agent, the Original Institutional A1 Notes Purchaser Representative and the Original Institutional A2 Notes Purchaser Representatives and any other Credit Representative) that this Clause 4.3 will apply. With effect from the giving of that notice the Security Agent may, at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor:

- (a) exercise (or refrain from exercising) any voting rights in respect of the Shares;
- (b) transfer the Shares into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, including the right, in relation to any company whose shares or other securities are included in the Shares, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence of such event),

- (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities, and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in such manner and on such terms as the Security Agent may think fit, and the proceeds of any such action shall form part of the Shares.

4.4 Waiver of voting rights by Security Agent

- (a) The Security Agent may, in its absolute discretion and without any consent or authority from the other Secured Parties or the Chargor, at any time, by notice to the Chargor (which notice shall be irrevocable), with a copy to the Original Bank Facilities Agent, the Original Institutional A1 Notes Purchaser Representative and the Original Institutional A2 Notes Purchaser Representatives and any other Credit Representative, elect to give up the right to exercise (or refrain from exercising) all voting rights and powers in respect of the Shares conferred or to be conferred on the Security Agent pursuant to Clauses 4.3 (*Voting rights after Security Agent Notice*) and the other Secured Parties unconditionally waive any rights they may otherwise have to require the Security Agent not to make such election or to require the Security Agent to indemnify, compensate or otherwise make good for any losses, costs or liabilities incurred by any of them in relation to or as a consequence of the Security Agent making such election.
- (b) Once a notice has been issued by the Security Agent under paragraph (a) of this Clause 4.4, on and from the date of such notice the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights and powers in respect of the Shares conferred or to be conferred on it pursuant to Clause 4.3 (*Voting rights after Security Agent Notice*) or any other provision of this Agreement and all such rights will be exercisable by the relevant Chargor. The Chargor shall be entitled, on and from the date of such notice, to exercise all voting rights and powers in relation to the Shares.

5. CHARGOR'S UNDERTAKINGS

5.1 Undertakings

(a) *Disposals and Negative pledge*

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 Charged Portfolio except for existing Security that is to be discharged upon or prior to the occurrence of the Effective Time pursuant to the Deed of Release or (save for the receipt of a Permitted Payment (as defined in the Original Facilities Agreement, the Original Institutional A1 Notes Purchase Agreement, the Original Institutional A2 Notes Purchase Agreement or any Additional Finance Document Equivalent) forming or comprising Related Assets) dispose of or otherwise deal with any part of the Charged Portfolio.

(b) ***Calls on Shares***

The Chargor undertakes to pay all calls or other payments when due in respect of any part of the Charged Portfolio. If the Chargor fails to make any such payment the Security Agent may make that payment on behalf of the Chargor and any sums so paid by the Security Agent shall be reimbursed by the Chargor on demand together with interest on those sums. Such interest shall be calculated from the due date until reimbursed in accordance with Clause 2.2 (*Default Interest*).

(c) ***Voting Rights***

The Chargor shall not exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights and powers in relation to the Charged Portfolio in any manner, or otherwise permit or agree to, or concur or participate in any (i) variation of the rights attaching to or conferred by all or any part of the Charged Portfolio (ii) increase in the issued share capital of any company whose shares are charged pursuant to this Agreement (iii) exercise, renunciation or assignment of any right to subscribe for any shares or securities or (iv) reconstruction, amalgamation, sale or other disposal of any company or any of the assets of any company (including the exchange, conversion or reissue of any shares or securities as a consequence thereof) whose shares are charged under this Agreement, which would adversely affect the validity or enforceability of the security created pursuant to this agreement and/or would cause an Event of Default to occur.

6. FURTHER ASSURANCE

6.1 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 6.2 below.

6.2 Covenant for Further Assurance

Subject to the Agreed Security Principles and if required by the Security Agent (acting reasonably) the Chargor shall promptly, at its own cost, enter into, execute, complete and do all such acts or execute all such documents as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s):

- (i) to create, perfect, protect and/or maintain the security created or intended to be created in respect of the Charged Portfolio;
- (ii) to confer on the Security Agent Security over any part of the Charged Portfolio located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Agreement to which it is a party; and/or
- (iii) to facilitate the realisation of the Charged Portfolio.

7. POWER OF ATTORNEY

7.1 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 reasonably consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Chargor by this Agreement (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Portfolio and perfecting and/or releasing the Security created or intended to be created in respect of the Charged Portfolio); and
- (b) enabling the Security Agent and any Receiver to exercise (subject to Clause 4.4 (*Waiver of Voting Rights by Security Agent*), or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Agreement or by law (including, after the occurrence of an Acceleration Event, the exercise of any right of a legal or beneficial owner of the Charged Portfolio).

7.2 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.

8. SECURITY ENFORCEMENT

8.1 Time for 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 Charged Portfolio (including transferring the Charged Portfolio into the name of the Security Agent or its nominees);
- (b) enforce all or any part of the Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold, sell, or otherwise dispose of all or any part of the Charged Portfolio (at the time, in the manner and on the terms it thinks fit); and
- (c) whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the Law of Property Act 1925 (as

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

8.2 Power of sale

- (a) The power of sale or other disposal conferred on the Security Agent and on the 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 execution of this Agreement.
- (b) 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 this Agreement has become enforceable in accordance with this Clause 8 (*Security Enforcement*).

8.3 Chargee's liability

Neither the Security Agent nor any Receiver will be liable to account as mortgagee or mortgagee in possession in respect of the Charged Portfolio or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with the Charged Portfolio for which a mortgagee or mortgagee in possession might as such be liable.

8.4 Right of Appropriation

To the extent that any of the Charged Portfolio constitutes "financial collateral" and this Agreement and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226), as amended, (the "**Regulations**") the Security Agent shall have the right at any time after the occurrence of an Acceleration Event, to appropriate all or any part of such financial collateral in or towards 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 such financial collateral so appropriated shall be the market price of the Shares determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation. The parties 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.

8.5 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 and such powers shall remain exercisable from time to time by the Security Agent in respect of the Charged Portfolio. In the case of any conflict between the

powers contained in any such Act and those conferred by this Agreement the terms of this Agreement will prevail.

9. RECEIVERS AND ADMINISTRATORS

9.1 Appointment and removal

At any time after having been requested to do so by the Chargor or after this Agreement becomes enforceable in accordance with Clause 8 (*Security Enforcement*), 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 Charged Portfolio;
- (b) appoint two or more Receivers of separate parts of the Charged Portfolio respectively;
- (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).

9.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 9.1 (*Appointment and removal*) will be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of 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).

9.3 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 Charged Portfolio.

9.4 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 Charged Portfolio 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;
- (d) the power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement or any of the Secured Debt Documents (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise of any subsequent delegation or any revocation of such power, authority or discretion by the Receiver itself; and
- (e) 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 any rights, powers and remedies of the Security Agent provided by or pursuant to this Agreement or by law (including realisation of all or any part of the Charged Portfolio); or
 - (iii) bringing to his hands any assets of the Chargor forming part of, or which when got in would be, Charged Portfolio.

9.5 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 Charged Portfolio or making any acquisition, the Security Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

9.6 Protection of purchasers

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

9.7 Discretions

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.

10. EFFECTIVENESS OF COLLATERAL

10.1 Collateral Cumulative

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 Charged Portfolio shall merge into the Security created by this Agreement.

10.2 No Waiver

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Agreement shall operate as a waiver of any such right or remedy or constitute an election to affirm this Agreement or any Secured Debt Document. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy of the Security Agent. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

10.3 Illegality, Invalidity, Unenforceability

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 law of any other jurisdiction will 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.

10.4 No liability

None of the Security Agent, its nominee(s) or any receiver appointed pursuant to this Agreement shall be liable by reason of:

- (a) taking any action permitted by this Agreement;
- (b) any neglect or default in connection with the Charged Portfolio; and/or

- (c) the taking possession of or realisation of all or any part of the Charged Portfolio,

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

10.5 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 2.4 (*Charge*).
- (b) It shall be implied in respect of Clause 2.4 (*Charge*) that the Chargor is charging the Charged Portfolio 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).

10.6 Continuing security

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

10.7 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Agent or a Secured Party to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Agreement. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

10.8 Avoidance of Payments

Notwithstanding Clause 3.3 (*Release*), if the Security Agent considers that any amount paid or credited to it 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 constituted by this Agreement shall continue and that amount shall not be considered to have been irrevocably paid.

10.9 Non-competition

Until the irrevocable discharge of the Secured Obligations referred to in Clause 3.3 (*Release*), 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 an Debtor;
- (b) to claim any contribution from any guarantor of any Debtor's obligations under this Agreement or any other Secured Debt Document; and/or

- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Security Agent under this Agreement or the Security Agent or any other Secured Party under any other guarantee or other Secured Debt Document or security taken pursuant to, or in connection with, this Agreement or any other Secured Debt Document by the Security Agent or any Secured Party.

10.10 Turnover Trust

- (a) The Chargor shall not accept or permit to subsist any collateral from any Debtor or any other person in respect of any rights the Chargor may have arising out of this Agreement: if, despite this provision, any such collateral shall be accepted or subsisting the Chargor acknowledges that the Chargor's rights under such collateral shall be held on trust for the Security Agent and the Secured Parties, to the extent necessary to enable all amounts which may be or become payable to the Security Agent and the Secured Parties by the Debtors under or in connection with the Secured Debt Documents to be repaid in full, and the Chargor shall if requested promptly transfer the same to the Security Agent or as it may direct for application in accordance with clause 18 (*Application of proceeds*) of the Intercreditor Agreement.
- (b) If the Chargor receives any benefit, payment or distribution relating to the rights mentioned Clause 10.9 (*Non-competition*) above it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Security Agent and the Secured Parties by the Debtors under or in connection with the Secured Debt Documents to be repaid in full on trust for the Security Agent and the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as it may direct for application in accordance with clause 16 (*Application of proceeds*) of the Intercreditor Agreement.

10.11 Waiver of defences

The obligations of the Chargor under this Agreement and this Security will not be affected by any act, omission, matter or thing which, but for this Clause 10.11 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Agreement and this Security and whether or not known to the Chargor or the Security Agent 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 Debtor;
- (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-presentment or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any other security;

- (d) any incapacity or lack of powers, 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 (however fundamental and whether or not more onerous) or replacement of any Secured Debt Document or any other document or security including without limitation 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 documents and any amendment, variation, waiver or release of any of the Secured Obligations;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any document or security; or
- (g) any insolvency or similar proceedings.

11. EXPENSES, STAMP TAXES, INDEMNITY

11.1 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 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.

11.2 Stamp Taxes

The Chargor shall pay and, within three (3) 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.

11.3 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 the Chargor of the provisions of this Agreement or the exercise of any of the rights and powers conferred on them by this Agreement by law.

11.4 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.

12. APPLICATION OF PROCEEDS

All moneys received or recovered 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 of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by the Chargor) in accordance with clause 16 (*Application of proceeds*) of the Intercreditor Agreement.

13. OTHER SECURITY INTERESTS

13.1 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 in case of exercise by the Security Agent or any Receiver of any power of sale or right of appropriation under this Agreement the Security Agent may redeem such prior security or procure the transfer thereof to itself.

13.2 Accounts

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

13.3 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*).

13.4 Subsequent Interests

If the Security Agent at any time receives notice of any subsequent mortgage, assignment, charge or other interest affecting all or any part of the Charged Portfolio, all payments made by the Chargor to the Security Agent or any of the Secured Parties after that time shall 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 as at the time when the Security Agent received notice.

14. SUSPENSE ACCOUNTS AND CURRENCY CONVERSION

14.1 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 maintained with the Security Agent or any bank, building society or financial institution as it considers appropriate and may be held in such account for so long as the Security Agent may think fit pending their application from time to time (as the Security Agent is entitled to do in its 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.

14.2 Currency Conversion

For the purpose of or pending the discharge of any of the Secured Obligations the Security Agent may convert any money received, recovered or realised or subject to application by it under this Agreement from one currency to another, as the Security Agent thinks fit, and any such conversion shall be effected at the Security Agent's spot rate of exchange for the time being for obtaining such other currency with the first currency.

15. CALCULATIONS AND CERTIFICATES

15.1 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.

15.2 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.

16. 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 (3) 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.

17. ASSIGNMENT

17.1 Permitted Successors

This Agreement shall be binding upon and shall inure to the benefit of each party and its direct or subsequent legal successors, permitted transferees and assigns.

17.2 Security Agent 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).

17.3 Disclosure

The Security Agent shall be entitled to disclose such information concerning the Chargor or any other person 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 applicable law.

18. WAIVERS AND COUNTERPARTS

18.1 Waivers

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

18.2 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.

19. LAW

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

20. ENFORCEMENT

20.1 Jurisdiction of English Courts

- (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 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 20 is for the benefit of the Security Agent only. As a result and notwithstanding Clause 20.1(a), it does not prevent the Security Agent from taking 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 on behalf of the Security Agent and executed as a deed by the Chargor and is delivered by it as a deed on the date specified above.

EXECUTION PAGE

Chargor

EXECUTED as a **DEED**

For and on behalf of

WELCOME BREAK HOLDINGS (2) LIMITED

..... Signature of Director

.....*James D. Diney*..... Name of Director

in the presence of

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

.....*Catherine Good*..... Name of witness

..... Address of witness

.....*Financial Assistant*..... 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:

Title:

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

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

Attention: Scott Mayberry