



Registration of a Charge

Company name: **GLENEAGLES HOTELS LIMITED**

Company number: **SC097000**

Received for Electronic Filing: **01/03/2017**



X61AVCDD

Details of Charge

Date of creation: **21/02/2017**

Charge code: **SC09 7000 0001**

Persons entitled: **HSBC BANK PLC**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

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:

ANDREW FREEMAN



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 97000

Charge code: SC09 7000 0001

The Registrar of Companies for Scotland hereby certifies that a charge dated 21st February 2017 and created by GLENEAGLES HOTELS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st March 2017 .

Given at Companies House, Edinburgh on 2nd March 2017

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated: 21 February 2017

- (1) Gleneagles Hotels Limited as Chargor
- (2) HSBC Bank plc as Security Agent

Debenture

We certify this document
as a true copy of the original,
save for material redacted
pursuant to section 859G
Companies Act 2006

Eversheds Sutherland LLP

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This Deed is made on 21 February 2017 between:

- (1) **GLENEAGLES HOTELS LIMITED**, registered in Scotland (registered number SC097000) at Gleneagles Hotel, Auchterarder, Perthshire, PH3 1NF, as chargor (the "**Chargor**"); and
- (2) **HSBC BANK PLC** (the "**Security Agent**") as security trustee for the Secured Parties appointed under the Facility Agreement.

1. **INTERPRETATION**

1.1 **Definitions**

In this Deed:

"Acceleration Event" means the Agent exercising any of its rights under clause 23.19 (*Acceleration*) of the Facility Agreement.

"Assigned Asset" means any assets expressed to be assigned under Clause 3.3 (*Assignment*).

"Associated Benefits" means, in respect of any asset:

- (a) all monies including (where relevant) all rent, dividends, distributions, profits, compensation, damages, income or interest paid or payable relating to that asset; and
- (b) all Authorisations, rights, benefits, claims or property at any time relating to that asset.

"Book Debts" means, in relation to the Chargor, all book and other debts, revenues and monetary claims of or owing to, or other amounts recoverable or receivable by, the Chargor (other than any bank accounts) and any rights or claims of the Chargor in respect of such debts, revenues and monetary claims, in each case governed by the law of England and Wales.

"Charged Account" means each account listed in Part III of Schedule 1 (*Details of Charged Property*).

"Charged Property" means the assets of the Chargor which from time to time are, or are expressed to be, the subject of any Security created by this Deed.

"Debt Document" means each of the Hedging Agreement, the Finance Documents, the Security Documents (as each such term is defined in the Facility Agreement) and any other document designated as such by the Security Agent and the Chargor.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"Event of Default" has the meaning given to that term in the Facility Agreement.

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

"Finance Party" means the Security Agent, the Agent, the Arranger, a Hedge Counterparty or a Lender (as each term is defined in the Facility Agreement).

"Floating Charge Asset" means, at any time, any Charged Property which, at that time, is the subject of the floating charge created by this Deed.

"Insolvency Act" means the Insolvency Act 1986.

"Insurances" means all contracts or policies of insurance of whatever nature, other than any third party liability insurances.

"Investments" means:

- (a) the Specified Shares; and
- (b) all other stocks, shares, bonds, securities or investments in respect of any company registered in England and Wales.

"LPA" means the Law of Property Act 1925.

"Real Property" means:

- (a) all estates or interests in any freehold or leasehold property located in England and Wales;
- (b) any buildings, fixtures, fittings, fixed plant or machinery at any time situated on or forming part of that property;
- (c) all easements, rights, agreements and other benefits in respect of that property; and
- (d) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor (as such term is defined in the Facility Agreement) to any Secured Party under each Finance Document.

"Secured Party" means a Finance Party or a Receiver.

"Specified Agreements" means the contracts listed in Part V of Schedule 1 (*Details of Charged Property*).

"Specified IPR" means the Intellectual Property specified in Part VI of Schedule 1 (*Details of Charged Property*).

"Specified Shares" means any shares specified in Part II of Schedule 1 (*Details of Charged Property*).

1.2 Construction

1.2.1 Unless a contrary indication appears in this Deed:

- 1.2.1.1 terms defined in the Facility Agreement have the same meaning in this Deed;
- 1.2.1.2 the provisions of clause 1.2 (*Construction*) of the Facility Agreement (with the exception of clause 1.2.4) apply to this Deed as if set out in full in this Deed except that references to the Facility Agreement shall be construed as references to this Deed; and
- 1.2.1.3 all provisions in the Facility Agreement that are deemed to apply to the Finance Documents apply to this Deed as if set out in full in this Deed.

- 1.2.2 Unless a contrary indication appears, any reference in this Deed to:
- 1.2.2.1 any asset includes present and future properties, revenues and rights of every description, all proceeds of sale of such asset, all rights under any agreement for the sale, lease or licence of such asset and any monies paid or payable in respect of such asset;
 - 1.2.2.2 a "Debt Document" or any other agreement or instrument is a reference to that Debt Document or other agreement or instrument as amended, novated, supplemented, extended, restated or replaced from time to time; and
 - 1.2.2.3 an account is a reference to that account as re-designated, re-numbered, substituted or replaced from time to time.
- 1.2.3 Where this Deed includes the words "including", "in particular" or "or otherwise" (or similar words or phrases), the intention is to state examples and not to be exhaustive.
- 1.2.4 The parties intend this Deed to be delivered on the first date specified on page 1 of this Deed and that this Deed take effect as a deed notwithstanding the fact that the Security Agent may only execute this document under hand.

1.3 Incorporation of other terms

The terms of the other Debt Documents and of any other agreement or document between any of the parties to this Deed are incorporated into this Deed to the extent required to comply with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Third party rights

- 1.4.1 Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of this Deed.
- 1.4.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.
- 1.4.3 Any Receiver, Delegate or any person described in clause 27.11.1 (*Exclusion of liability*) of the Facility Agreement may, subject to this Clause 1.4 and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

2. COVENANT TO PAY

The Chargor, as principal debtor and not just as surety, covenants with the Security Agent to pay or discharge the Secured Liabilities in the manner provided for in the Debt Documents.

3. GRANT OF SECURITY

3.1 Mortgage

The Chargor charges by way of first legal mortgage:

- 3.1.1 all its Real Property described opposite its name in Part I of Schedule 1 (*Details of Charged Property*); and
- 3.1.2 all its other Real Property as at the date of this Deed.

3.2 Fixed charges

The Chargor charges by way of first fixed charge:

- 3.2.1 to the extent not effectively mortgaged under Clause 3.1 (*Mortgage*), all its Real Property as at the date of this Deed;
- 3.2.2 all its Real Property acquired after the date of this Deed;
- 3.2.3 all its plant and machinery, vehicles, computers and other equipment, excluding stock in trade in each case located in England and Wales, to the extent not otherwise effectively mortgaged or charged under this Deed;
- 3.2.4 all its Specified Shares;
- 3.2.5 all its Investments (other than its Specified Shares charged under Clause 3.2.4)
- 3.2.6 all its:
 - 3.2.6.1 Charged Accounts; and
 - 3.2.6.2 other accounts at any bank located in England and Wales, in each case maintained with a Secured Party and all monies (including interest) at any time standing to the credit of each such account;
- 3.2.7 all its Book Debts to the extent not effectively assigned under Clause 3.3 (*Assignment*);
- 3.2.8 all its Intellectual Property, to the extent not effectively assigned under Clause 3.3 (*Assignment*);
- 3.2.9 all its goodwill and uncalled capital;
- 3.2.10 all rights, benefits and interests under each Specified Agreement;
- 3.2.11 to the extent that any Assigned Asset is incapable for any reason of being assigned or is not effectively assigned in each case under Clause 3.3 (*Assignment*), each Assigned Asset; and
- 3.2.12 save to the extent assigned under Clause 3.3 (*Assignment*), all Associated Benefits relating to the Charged Property.

3.3 Assignment

The Chargor assigns by way of security:

- 3.3.1 all its accounts located in England and Wales maintained with any bank, financial institution or other person (other than a Secured Party) and all monies (including interest) at any time standing to the credit of such account;
- 3.3.2 all its other Insurances, including any listed in Schedule 1 (*Details of Charged Property*);
- 3.3.3 all its Specified Agreements; and
- 3.3.4 all its Specified IPR,

in each case together with all Associated Benefits relating to the Charged Property.

3.4 Floating charge

- 3.4.1 The Chargor charges by way of floating charge all its assets and undertaking not at any time effectively mortgaged, charged or assigned under this Deed or any other Debt Document.
- 3.4.2 Paragraph 14 of Schedule B1 of the Insolvency Act applies to any Security created by this Deed.

3.5 General

All Security created by this Deed:

- 3.5.1 Is created in favour of the Security Agent, as security trustee for the Secured Parties;
- 3.5.2 unless specifically stated otherwise, is created over the present and future assets of the Chargor to the extent of its rights, title and interest in, under and to such assets at any time; and
- 3.5.3 Is created with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.6 Continuing security

The Security created by this Deed is continuing security for the payment and discharge of the Secured Liabilities. The provisions of this Deed will apply at all times:

- 3.6.1 regardless of the date on which any of the Secured Liabilities were incurred;
- 3.6.2 notwithstanding any intermediate payment or discharge; and
- 3.6.3 In respect of the full amount of the Secured Liabilities at the relevant time even if the amount of the Secured Liabilities had previously been less than that amount or had been nil at any time.

3.7 Independent Security

The Security created by this Deed is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by any Secured Party. No prior Security held by any Secured Party over the whole or any part of the Charged Property will merge with the Security created by this Deed.

3.8 Validity of details of Charged Property

The fact that incorrect or incomplete details of any Charged Property are included or inserted in any Schedule will not affect the validity or enforceability of the Security created by this Deed.

4. CONSENTS

- 4.1 If the rights, title or interest of the Chargor in, under or to a Specified Agreement cannot be charged or assigned without the consent of any person:
 - 4.1.1 the Chargor shall promptly notify the Security Agent of that fact;
 - 4.1.2 this Deed will secure that Specified Agreement to the maximum extent permissible under the terms of that Specified Agreement;

- 4.1.3 where the Specified Agreement itself cannot be assigned or charged, this Deed will secure all amounts which the Chargor may receive, or has received, under that Specified Agreement but exclude the Specified Agreement itself; and
- 4.1.4 the Chargor shall:
- 4.1.4.1 as soon as practicable and in any event within 10 Business Days of the date of this Deed (or the date of the Specified Agreement, if later), apply to the relevant person for the required consent;
 - 4.1.4.2 use all reasonable endeavours to obtain the consent of the relevant person and keep the Security Agent informed of progress of its negotiations with that person provided that, if the Chargor has not been able to obtain the required consent having made all reasonable endeavours, any obligation to comply with Clause 4.1.4.1 shall cease after 90 days from the date of the relevant application;
 - 4.1.4.3 promptly notify the Security Agent upon such consent being granted or refused; and
 - 4.1.4.4 upon receipt of the relevant consent, execute such documents and take such action as the Security Agent may require in order to charge or assign its interests under that Specified Agreement in a manner satisfactory to the Security Agent.

5. CONVERSION OF FLOATING CHARGE

5.1 Conversion by notice

The Security Agent may, by notice to the Chargor, crystallise and convert the floating charge created by the Chargor under this Deed into a fixed charge over any or all of the Chargor's Floating Charge Assets if:

- 5.1.1 an Acceleration Event has occurred;
- 5.1.2 the Security Agent becomes aware of any intention or proposal to appoint a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of the Chargor or any of its assets; or
- 5.1.3 the Security Agent considers (acting reasonably) that any Floating Charge Asset is in danger of being seized, or sold under any legal process, or such assets are otherwise in jeopardy.

5.2 Automatic conversion

- 5.2.1 A floating charge created by the Chargor under this Deed will automatically crystallise and convert into fixed charges over the relevant Floating Charge Assets if a liquidator, administrative receiver, receiver, administrator or other similar officer is appointed in respect of the Chargor or any of its assets.
- 5.2.2 No floating charge created under this Deed will automatically crystallise and convert into a fixed charge solely by reason of a moratorium being obtained under section 1A or Schedule A1 of the Insolvency Act (or anything being done with a view to obtaining a moratorium).

5.3 SCOTLAND

The terms of Clause 5.1 (*Conversion by notice*) and Clause 5.2 (*Automatic conversion*) shall not apply in respect of any property or assets situated in Scotland or governed by Scots law if and to the extent that any such conversion is ineffective under Scots law or

would result in any Receiver being unable to exercise any powers under Section 72 of the Insolvency Act 1986

6. UNDERTAKINGS

6.1 Negative pledge and restriction on dealing

6.1.1 The Chargor may not create or permit to subsist any Security over any of its assets.

6.1.2 The Chargor may not:

6.1.2.1 sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by another Transaction Obligor;

6.1.2.2 sell, transfer or otherwise dispose of any of its receivables on recourse terms;

6.1.2.3 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

6.1.2.4 enter into any other preferential arrangement having a similar effect,

In circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

6.1.3 Clauses 6.1.1 and 6.1.2 shall not apply to any Security or arrangement permitted under the Facility Agreement.

6.2 Notice of charge or assignment

The Chargor shall serve notice of each charge or assignment created under this Deed in respect of:

6.2.1 each of its accounts charged under Clause 3.2.6 or assigned under Clause 3.3.1, by sending a notice substantially in the form of:

6.2.1.1 Part I of Schedule 2 (*Notices*), in the case of any account in respect of which the Security Agent has sole signing rights; and

6.2.1.2 Part II of Schedule 2 (*Notices*), in the case of any account in respect of which the Security Agent does not have sole signing rights;

to the person with whom that account is held, in each case on the date of this Deed (in the case of any account existing on the date of this Deed) and on the date of opening any other account (in the case of any account opened after the date of this Deed);

6.2.2 each of its Insurances by sending a notice substantially in the form of Part III of Schedule 2 (*Notices*) to the relevant Insurer, on the date of this Deed (for any Insurances existing on the date of this Deed) and on the date of entry into any other Insurances (in the case of any Insurances entered into after the date of this Deed); and

6.2.3 each Specified Agreement, by sending a notice substantially in the form of Part IV of Schedule 2 (*Notices*) to each counterparty to that Specified Agreement, on the date of this Deed.

6.3 Acknowledgement of notice of security

6.3.1 The Chargor shall use all reasonable endeavours to procure that each notice served by it under Clause 6.2 (*Notice of charge or assignment*) is, subject to Clause 6.3.2, acknowledged by the recipient in the form attached to such notice:

6.3.1.1 in the case of any notice served on the date of this Deed, on or before the Closing Date; and

6.3.1.2 in the case of all other notices, within 5 Business Days of service of the notice.

6.3.2 If the Chargor has not been able to obtain the required acknowledgement of each notice served by it under Clause 6.2 (*Notice of charge or assignment*) having made all reasonable endeavours, any obligation to comply with Clause 6.3.1 shall cease after 90 days from the date of the written request for such acknowledgement.

6.4 Charged Property

The Chargor shall, promptly upon request by the Security Agent at any time:

6.4.1 deposit with the Security Agent all documents of title or other evidence of ownership, together with such deeds, certificates and documents as the Security Agent may require, relating to its Charged Property;

6.4.2 affix to and maintain on such of its plant, machinery, fixtures, fittings, vehicles or other equipment as the Security Agent may require in writing a clearly legible identification plate stating that the asset has been charged to the Security Agent, in a form acceptable to the Security Agent; and

6.4.3 provide the Security Agent with all information it may reasonably request in relation to its Charged Property.

6.5 Real Property Restriction

The Chargor shall ensure that a restriction in the following terms is entered on the register of the title of its Real Property at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE OF DEBENTURE] in favour of HSBC Bank plc referred to in the charges register, or its conveyancer,"

together with, where applicable, notice of any obligation on the Secured Parties to make further advances under the terms of the Debt Documents. The Chargor shall pay, when due and payable, all fees, costs and expenses incurred in connection with such applications.

6.6 Investments

6.6.1 The Chargor may not:

6.6.1.1 take or permit the taking of any action which may adversely affect the value of any of its Investments, or prejudice the interests of any Secured Party under any Debt Document, or result in the rights attaching to any of its Investments being altered or diluted; or

6.6.1.2 except where the Security Agent so requires or permits, nominate another person to enjoy or exercise any of its rights in relation to any of its Investments.

6.6.2 Subject to Clause 6.6.1 (*Investments*) and prior to the occurrence of an Acceleration Event, the Chargor may:

6.6.2.1 receive and retain all dividends or other income paid or payable in respect of its Investments; and

6.6.2.2 exercise all voting and other rights attaching to its Investments, provided that it does so for a purpose not inconsistent with any Debt Document.

6.6.3 After the occurrence of an Acceleration Event, the Chargor shall:

6.6.3.1 hold any dividends or other income received in respect of the Investments on trust for the Security Agent and pay such amounts into a separate account or otherwise as the Security Agent may direct; and

6.6.3.2 exercise all voting and other rights attaching to the Investments as the Security Agent may direct.

6.7 Charged Accounts

The Chargor shall operate each Charged Account in accordance with the Facility Agreement and the terms provided in the notice referred to in Clause 6.2 (*Notice of charge or assignment*) and after the occurrence of the events set out in clause 17.5.4 (*General Accounts*) of the Facility Agreement take such action as the Security Agent may require to ensure that the account mandate for each Charged Account is altered in such way as the Security Agent may direct in writing.

6.8 Book Debts

The Chargor shall:

6.8.1 use all reasonable endeavours to promptly collect each Book Debt when due for payment;

6.8.2 promptly take and pursue all action necessary to recover any Book Debt which is not paid when due in accordance, if applicable, with any instructions from the Security Agent;

6.8.3 after the occurrence of an Acceleration Event, not agree to waive or settle any Book Debt for less than par value, other than with the prior written consent of the Security Agent;

where, in each case, failure to do so has or is reasonably likely to have a Material Adverse Effect.

6.9 Intellectual Property

Promptly after the occurrence of an Acceleration Event, the Chargor shall procure that an entry is made in each relevant public register of its Intellectual Property to record the existence of this Deed and the restrictions imposed by it.

6.10 Specified Agreements

6.10.1 The Chargor shall:

6.10.1.1 perform its obligations and exercise its rights (including ensuring the due performance of the obligations of the relevant counterparties) in all material respects under each of its Specified Agreements in a diligent and timely manner where failure to do so has or is reasonably likely to have a Material Adverse Effect;

6.10.1.2 not make or agree to make any amendments or modifications to, nor waive any of its rights under, nor exercise any right to terminate any of its Specified Agreements, except, in each case, as permitted under the Facility Agreement where any such amendment, modification or waiver has or is reasonably likely to have a Material Adverse Effect; and

6.10.1.3 promptly inform the Security Agent of any material disputes relating to each of its Specified Agreements.

6.10.2 Subject to Clause 6.10.1 (*Specified Agreements*) and provided that no Acceleration Event has occurred, the Chargor may exercise its rights under each of its Specified Agreement without further reference to the Security Agent, unless such exercise is reasonably likely to result in a Default, materially and adversely affect the value of the Charged Property or prejudice to a material extent the interests of the Secured Parties under any Debt Document.

6.10.3 Once an Acceleration Event has occurred, the Chargor shall exercise its rights under each of its Specified Agreement only in accordance with the written instructions of the Security Agent.

6.11 Further assurance

The Chargor shall promptly take all such actions, including executing all such documents, notices and instructions in such form as the Security Agent may reasonably require:

6.11.1 to create, perfect, protect and (if necessary) maintain the Security created or intended to be created over any of its assets under this Deed or for the exercise of any rights, powers and remedies of the Secured Parties provided by or under this Deed or by law or regulation;

6.11.2 to confer on the Secured Parties security interests in or over any of its assets located in any jurisdiction other than England and Wales equivalent or similar to the Security created or intended to be created by this Deed; and

6.11.3 to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this Deed.

6.12 Power to remedy

If the Chargor fails to comply with any of its obligations under this Deed, the Security Agent (or its nominee) may (at the Chargor's expense) take such action as is necessary to protect any assets against the consequences of the Chargor's non-compliance and to ensure compliance with such obligations. The Security Agent is not obliged to perform any obligation of the Chargor nor to take any action which it may be entitled to take under this Deed.

6.13 Power of attorney

6.13.1 As security for the performance of its obligations under this Deed, the Chargor irrevocably and severally appoints the Security Agent, each Receiver and each Delegate to be its attorney, with full power of substitution.

- 6.13.2 The attorney may, in the name of the Chargor and on its behalf and at its expense, do anything which the Chargor is obliged to do under any Debt Document to which it is a party but has failed to do following written request from the Security Agent or which the Security Agent, Receiver or Delegate may in their absolute discretion consider appropriate in connection with the exercise of any of their rights, powers, authorities or discretions in relation to the Charged Property under or otherwise for the purposes of any Debt Document, or any law or regulation.
- 6.13.3 The appointment detailed in Clause 6.13.1 above shall become enforceable only on the occurrence of an Event of Default which is continuing or where the Security Agent has requested the Chargor to do something and the Chargor failed to do so.
- 6.13.4 The Chargor ratifies and confirms anything done by any attorney under this Clause 6.13. The Chargor agrees to indemnify the attorney against all actions, claims, demands and proceedings taken or made against it and all reasonable costs, damages, expenses, liabilities and losses properly incurred by the attorney as a result of or in connection with anything lawfully done by it under or in connection with this power of attorney.

7. RIGHTS OF ENFORCEMENT

7.1 Secured Liabilities deemed payable

For the purposes of all rights and powers implied by statute, the Secured Liabilities are deemed to be due and payable on the date of this Deed.

7.2 When Security enforceable

The Security created by this Deed is enforceable at any time after the occurrence of an Acceleration Event.

7.3 Enforcement powers

At any time (a) when the Security created by this Deed is enforceable or (b) following a request by the Chargor, the Security Agent may, without further notice:

- 7.3.1 appropriate, realise or transfer, including to itself or to any other person, all or any part of the Charged Property;
- 7.3.2 appoint one or more persons to be a Receiver of all or any part of the Charged Property;
- 7.3.3 appoint an administrator of the Chargor;
- 7.3.4 exercise any of the powers, authorities and discretions conferred on mortgagees, administrators or receivers, under the LPA, the Insolvency Act, any other legislation or regulation or under this Deed; and
- 7.3.5 take such further action as it sees fit to enforce all or any part of the Security created by this Deed.

7.4 Rights in relation to a Receiver

The Security Agent may remove any Receiver appointed under this Deed, appoint another person as Receiver or appoint additional Receivers. Each Receiver will be deemed to be the agent of the Chargor who alone will be responsible for the acts and defaults of the Receiver and for any liabilities incurred by the Receiver. The Security Agent may fix the remuneration of a Receiver which will be payable by the Chargor and form part of the Secured Liabilities.

7.5 Redemption of prior Security

Where there is any Security created over any of the Charged Property which ranks in priority to the Security created by this Deed and:

7.5.1 the Security created by this Deed becomes enforceable; and

7.5.2 the holder of such other Security takes any steps to enforce that Security,

the Security Agent or any Receiver may, at its sole discretion and at the cost and expense of the Chargor, redeem, take a transfer of and repay the indebtedness secured by such other Security. All amounts paid by the Security Agent or a Receiver under this Clause will form part of the Secured Liabilities.

7.6 Appropriation of payments

Any appropriation by the Security Agent or a Receiver under this Deed will override any appropriation by the Chargor.

7.7 Financial collateral

7.7.1 To the extent that any of the assets mortgaged, charged or assigned under this Deed constitute "financial collateral" and this Deed constitutes a "financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003) (the "FC Regulations") the Security Agent will have the right at any time when such Security is enforceable to appropriate all or any part of that financial collateral in such manner as it sees fit in or towards the satisfaction of the Secured Liabilities.

7.7.2 Where any financial collateral is appropriated, its value shall be:

7.7.2.1 in the case of cash, its face value at the time of the appropriation;

7.7.2.2 if the financial collateral is listed or traded on a recognised exchange, the value at which it could have been sold on that exchange at the time of appropriation; and

7.7.2.3 in any other case, the amount reasonably determined by the Security Agent by such process as it may select, including independent valuation,

and the Chargor agrees that the method of valuation provided for in this Clause 7.7.2 is commercially reasonable for the purposes of the FC Regulations.

8. POWERS OF A RECEIVER

8.1 General powers

Any Receiver will have:

8.1.1 the rights, powers, privileges and immunities conferred on receivers, receivers and managers and mortgagees in possession under the LPA;

8.1.2 the rights, powers, privileges and immunities conferred on administrative receivers (whether or not that Receiver is an administrative receiver) under the Insolvency Act; and

- 8.1.3 all other rights, powers, privileges and immunities conferred by law or regulation on receivers, receivers and managers, mortgagees in possession and administrative receivers.

8.2 Specific powers

The rights, powers and remedies provided in this Deed are in addition to any rights powers and remedies under law or regulation. Any Receiver will have the following additional powers:

- 8.2.1 the power to do or omit to do anything which the Chargor could do or omit to do in relation to the Charged Property which is the subject of the appointment;
- 8.2.2 the power to do all other acts and things which the Receiver may consider desirable or necessary for realising any of the Charged Property or incidental or conducive to any of the rights, powers and discretions conferred on a Receiver under this Deed or by law or regulation; and
- 8.2.3 the power to use the Chargor's name for all the above purposes.

8.3 Variation of statutory powers

The following statutory provisions do not apply to this Deed or any Security created by this Deed:

- 8.3.1 the restriction on the consolidation of mortgages in section 93 of the LPA;
- 8.3.2 the restrictions on the power to grant or accept the surrender of leases in sections 99 and 100 of the LPA;
- 8.3.3 the conditions to the exercise of a power of sale in section 103 of the LPA;
- 8.3.4 the restrictions on the application of proceeds by a mortgagee or receiver in sections 105, 107(2) and 109(8) of the LPA; and
- 8.3.5 the restrictions on the appointment of a receiver in section 109(1) of the LPA and the provisions regarding a receiver's remuneration in section 109(6) of the LPA.

9. APPLICATION OF PROCEEDS

9.1 Order of priority

All amounts received by the Security Agent or a Receiver in connection with the enforcement of the Security created under this Deed will be applied, to the extent permitted by applicable law, in accordance with the provisions of the Facility Agreement.

9.2 Suspense account

The Security Agent may credit any monies at any time received or realised under this Deed to an interest-bearing suspense account, for so long and on such terms as the Security Agent may determine pending their application towards discharging the Secured Liabilities.

9.3 New accounts

If a Secured Party receives or is deemed to have received notice of subsequent Security over the Charged Property, each Secured Party may open a new account with the Chargor. If a Secured Party does not open a new account, it will be treated as having done so at the time when such notice was received and as from that time all payments made by or on behalf of the Chargor to that Secured Party will be credited or be treated

as having been credited to the relevant new account and not as having been applied in discharge of the Secured Liabilities.

9.4 Release of Charged Property

If the Security Agent is satisfied that all the Secured Liabilities have, subject to Clauses 12.1 (*Reinstatement*) and 12.2 (*Avoidable payments*), been unconditionally and irrevocably paid and discharged in full and all facilities which might give rise to Secured Liabilities terminated, the Security Agent will, at the request and cost of the Chargor, execute such documents and take such steps as may be necessary to release the Charged Property from the Security created by this Deed.

10. PROTECTION OF THIRD PARTIES

10.1 No buyer from, or other person dealing with the Security Agent or a Receiver will be concerned to enquire whether:

10.1.1 any money remains due under the Debt Documents;

10.1.2 any power which the Security Agent or Receiver is purporting to exercise has arisen or become exercisable; or

10.1.3 the Security Agent or any Receiver is validly appointed and acting within its powers in accordance with this Deed.

10.2 The receipt of the Security Agent, any Receiver or any Delegate will be an absolute and conclusive discharge to a purchaser of any of the Charged Property who will have no obligation to enquire how any monies are applied.

11. PROTECTION OF SECURITY AGENT

11.1 No liability as mortgagee in possession

No Secured Party will be liable to account to the Chargor as mortgagee in possession by reason of entering into possession of any of the Charged Property, or for any cost, loss or liability on realisation, nor for any default or omission for which a mortgagee in possession might be liable.

11.2 Tacking

The Security created by this Deed is intended to secure any further advances which any Secured Party is obliged to make under the Debt Documents.

11.3 Discretion of the Secured Parties

Each Secured Party is entitled to exercise its rights, powers and discretions under this Deed in accordance with the terms of the Facility Agreement and the Chargor will not have any right to control or restrict any Secured Party's exercise of any of its rights, powers or discretions under this Deed.

12. SAVING PROVISIONS

12.1 Reinstatement

If, at any time, there has been a release, settlement or discharge of the Chargor's obligations under this Deed and, as a consequence of any insolvency (or analogous) proceedings or for any other reason:

12.1.1 any payment made to any person in respect of any of the Secured Liabilities is required to be repaid; and

- 12.1.2 any Security (or other right) held by any Secured Party in respect of any of the Secured Liabilities (whether under this Deed or otherwise) is declared void, is set aside or is otherwise affected,

then the Chargor's obligations under this Deed will continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and (as applicable) the relevant obligation or Security (or other right) had not been so affected; and accordingly (but without limiting the Secured Parties' other rights under this Deed) the Security Agent will be entitled to recover from the Chargor the value which the Security Agent has placed upon such Security (or other right) or the amount of any such payment as if such release, settlement or discharge had not occurred.

12.2 Avoidable payments

If the Security Agent, acting reasonably, considers that any amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided, set aside or ordered to be refunded or reduced for any reason, then for the purposes of this Deed such amount will not be considered to have been irrevocably paid.

12.3 Waiver of defences

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

- 12.3.1 any time, waiver or consent granted to, or composition with a Transaction Obligor or other person;
- 12.3.2 the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- 12.3.3 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, the Chargor, Transaction Obligor 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, in each case to an extent that such default or termination event has or is reasonably likely to have a Material Adverse Effect;
- 12.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor, Transaction Obligor or any other person;
- 12.3.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any 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 Debt Document or other document or security;
- 12.3.6 any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security; or
- 12.3.7 any insolvency or similar proceedings.

12.4 Chargor Intent

Without prejudice to the generality of Clause 12.4 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security created under this Deed shall extend

from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Debt Documents and/or any facility or amount made available under any of the Debt Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling 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 facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

12.5 Immediate recourse

The Chargor waives any right it may have of first requiring 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 person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Debt Document to the contrary.

12.6 Appropriations

Until all amounts which may be or become payable by the Transaction Obligors or the Chargor under or in connection with the Debt Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- 12.6.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- 12.6.2 hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

12.7 Deferral of the Chargor's rights

Until all amounts which may be or become payable by the Transaction Obligors or the Chargor under or in connection with the Debt Documents have been irrevocably paid in full and unless the Security Agent otherwise directs, the Chargor may not exercise any rights which it may have by reason of performance by it of its obligations under the Debt Documents or by reason of any amount being payable, or liability arising, under the Debt Documents:

- 12.7.1 to be indemnified by a Transaction Obligor;
- 12.7.2 to claim any contribution from any guarantor of any Transaction Obligor's obligations under the Debt Documents;
- 12.7.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Debt Documents or of any other guarantee or security taken pursuant to, or in connection with, the Debt Documents by any Secured Party;
- 12.7.4 to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which the Transaction Obligor has given a guarantee, undertaking or indemnity;
- 12.7.5 to exercise any right of set-off against any Transaction Obligor; and/or
- 12.7.6 to claim or prove as a creditor of any Transaction Obligor 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 the Secured Parties by the Transaction Obligors under or in connection with the 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 9.1 (*Order of Priority*).

13. CHANGES TO THE PARTIES

13.1 No assignment by the Chargor

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

13.2 Assignment by Security Agent

The Security Agent may assign any of its rights or transfer any of its rights or obligations under this Deed in accordance with the terms of the Facility Agreement.

14. COUNTERPARTS

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

15. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.

16. JURISDICTION

16.1 The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) and any non-contractual obligations arising out of or in connection with it (a "Dispute").

16.2 The parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and accordingly no party to this Deed may argue to the contrary.

16.3 Clause 16.1 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party will be prevented from taking proceedings relating to a Dispute in any other court with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

This Deed is executed as a deed and delivered on the date stated at the beginning of this Deed.

SCHEDULE 1

Details of Charged Property

Part I Real Property

Registered Land			
Name of Chargor		Address/description of the real property	Title Number
Gleneagles Limited	Hotels	None at the date of this Deed	None at the date of this Deed

Part II Specified Shares

Name of Chargor		Name of company whose shares are held	Company number of company whose shares are held	Number and class of shares
Gleneagles Limited	Hotels	None at the date of this Deed	None at the date of this Deed	None at the date of this Deed

Part III Bank accounts

Name of Chargor		Name or designation of bank account	Account number	Name of institution and branch at which account held
Gleneagles Limited	Hotels	the current account with RBS	[REDACTED]	The Royal Bank of Scotland plc
Gleneagles Limited	Hotels	the interest bearing sweep account with RBS	[REDACTED]	The Royal Bank of Scotland plc
Gleneagles Limited	Hotels	the euro account with RBS	[REDACTED]	The Royal Bank of Scotland plc
Gleneagles Limited	Hotels	the US dollar account with RBS	[REDACTED]	The Royal Bank of Scotland plc
Gleneagles Limited	Hotels	the US dollar account with HSBC	To be confirmed	HSBC Bank plc
Gleneagles Limited	Hotels	General Account	To be confirmed	HSBC Bank plc

Gleneagles Limited	Hotels	General Account	To be confirmed	HSBC Bank plc
Gleneagles Limited	Hotels	General Account	To be confirmed	HSBC Bank plc
Gleneagles Limited	Hotels	General Account	To be confirmed	HSBC Bank plc
Gleneagles Limited	Hotels	General Account	To be confirmed	HSBC Bank plc
Gleneagles Limited	Hotels	Disposals Account	To be confirmed	HSBC Bank plc
Gleneagles Limited	Hotels	Cure Account	To be confirmed	HSBC Bank plc

Part IV Insurances

Name of Chargor		Brief description of policy, including policy number	Date of policy	Insurance company or underwriter (including address for service of notices)
Gleneagles Limited	Hotels	Commercial combined property damage and business interruption	30 June 2016	Allianz Insurance plc, QBE Insurance Europe Limited, Aviva Insurance Limited
		Policy number: 27/SZ/25003596/07		

Part V Specified Agreements

Name of Chargor		Brief description of agreement	Date of agreement	Parties to agreement (including address for service of notices)
Gleneagles Limited	Hotels	None at the date of this Deed	None at the date of this Deed	None at the date of this Deed

Part VI Specified IPR

Name of Chargor		Brief description of right	Registration number (if any)	Date of renewal (if any)
Gleneagles	Hotels	None at the date of	None at the date	None at the date of this

Limited

this Deed

of this Deed

Deed

SCHEDULE 2

Notices

Part I

Form of notice relating to bank account (Security Agent has sole signing rights)

To: [NAME AND ADDRESS OF ACCOUNT HOLDING INSTITUTION]

Dated: [DATE]

Dear Sirs,

Notice of Security

1. We give you notice that, under a debenture dated [DATE] (the "**Debenture**") we have [charged/assigned by way of security] to [SECURITY AGENT] (the "**Security Agent**") all our present and future rights, title and interest in, under and to each account listed below (each an "**Account**"), including all monies (including interest) at any time standing to the credit of such accounts:

Name or designation of bank account	Account number	Name of institution and branch at which account held

2. We may not withdraw or attempt to withdraw any amounts from any Account without the prior written consent of the Security Agent.
3. With effect from the date of this notice, we irrevocably and unconditionally authorise and instruct you:
- 3.1 to hold all monies from time to time standing to the credit of each Account to the order of the Security Agent and accordingly to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent; and
- 3.2 to disclose to the Security Agent such information relating to us and each Account as the Security Agent may from time to time reasonably request, including providing copies of all statements, in electronic or paper form.
4. This notice and the authorities and instructions it contains may only be revoked or amended with the prior written consent of the Security Agent.
5. This notice and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.
6. Please confirm your agreement to the above by signing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us).

Yours faithfully,

.....
for and on behalf of

[CHARGOR]

[To be included on copy notice:]

To: [NAME, ADDRESS AND DEPARTMENT OF SECURITY AGENT]

Copy to: [NAME AND ADDRESS OF CHARGOR]

Dated: [DATE]

Dear Sirs

Acknowledgement of notice of security

We acknowledge receipt of the above notice. Terms defined in the notice apply to this acknowledgement. We confirm that we:

1. have not received notice of any other assignment of or charge over any Account and will promptly notify you if we receive any such notice in the future;
2. will comply with the terms of the notice set out above; and
3. will not claim or exercise any right of set-off, counterclaim, lien or right to combine accounts or any other similar right in relation to the monies standing to the credit of any Account.

Yours faithfully,

.....
for and on behalf of

[ACCOUNT BANK]

Part II
Form of notice relating to bank account
(Security Agent does not have sole signing rights)

To: [NAME AND ADDRESS OF ACCOUNT HOLDING INSTITUTION]

Dated: [DATE]

Dear Sirs,

Notice of Security

1. We give you notice that, under a debenture dated [DATE] we have [charged/assigned by way of security] to [SECURITY AGENT] (the "**Security Agent**") all our present and future rights, title and interest in, under and to each account listed below (each an "**Account**"), including all monies (including interest) at any time standing to the credit of such accounts:

Name or designation of bank account	Account number	Name of institution and branch at which account held

2. We may continue to operate each Account unless and until the Security Agent notifies you in writing to the contrary. With effect from the date of such notification, we may not withdraw any further monies from any Account without the prior written consent of the Security Agent to each withdrawal.
3. We therefore irrevocably and unconditionally authorise and instruct you:
- 3.1 with effect from the date of this notice, to disclose to the Security Agent such information relating to us and each Account as the Security Agent may from time to time reasonably request, including providing copies of all statements, in electronic or paper form; and
- 3.2 with effect from the date of the notification described in paragraph 2 above:
- 3.2.1 to hold all monies from time to time standing to the credit of each Account to the order of the Security Agent and accordingly to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent;
- 3.2.2 to accept any instructions from the Security Agent to change the signatories on the relevant account mandates to persons specified by the Security Agent.
4. This notice and the authority and instructions it contains may only be revoked or amended with the prior written consent of the Security Agent.
5. This notice and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.
6. Please confirm your agreement to the above by signing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us).

Yours faithfully,

for and on behalf of

[CHARGOR]

[To be included on copy notice:]

To: **[NAME, ADDRESS AND DEPARTMENT OF SECURITY AGENT]**

Copy to: **[NAME AND ADDRESS OF CHARGOR]**

Dated: **[DATE]**

Dear Sirs

Acknowledgement of notice of security

We acknowledge receipt of the above notice. Terms defined in the notice apply to this acknowledgement. We confirm that we:

1. have not received notice of any other assignment of or charge over any Account and will promptly notify you if we receive any such notice in the future;
2. will comply with the terms of the notice; and
3. will not claim or exercise any right of set-off, counterclaim, lien or right to combine accounts or any other similar right in relation to the monies standing to the credit of any Account.

Yours faithfully,

for and on behalf of
[ACCOUNT BANK]

Part III
Form of notice relating to Insurances

To: [NAME AND ADDRESS OF INSURANCE COMPANY/UNDERWRITER]

Dated: [DATE]

Dear Sirs,

Notice of security

1. We refer to [POLICY], policy number [NUMBER] between us and you (the "Policy").
2. We give you notice that, under a debenture dated [DATE] (the "Debenture"), we have assigned by way of security to [SECURITY AGENT] (the "Security Agent") all of our present and future rights, title and interest in, under and to the Policy and all proceeds and claims arising from the Policy.
3. We must promptly notify the Security Agent of any material amendment, termination, avoidance or cancellation of any of the insurances made or, to our knowledge, threatened or pending.
4. Until you receive written notice to the contrary from the Security Agent, you may continue to deal with us in relation to the Policy. After you receive such notice, we will cease to have any right to deal with you in relation to the Policy and you must deal directly with or upon the written instructions of the Security Agent.
5. With effect from the date of this notice, we irrevocably and unconditionally authorise and instruct you:
 - 5.1 to disclose such information relating to the Policy and to give such acknowledgements and undertakings relating to the Policy as the Security Agent may from time to time request; [and]
 - 5.2 to make all payments under or in connection with the Policy as directed by the Security Agent[; and]
 - 5.3 [to give at least 30 days' notice to the Security Agent if you propose to:
 - 5.3.1 repudiate, rescind or cancel the Policy;
 - 5.3.2 treat the Policy as avoided in whole or in part;
 - 5.3.3 treat the Policy as expired due to non-payment of premium (and in such notice you must give the Security Agent the opportunity to rectify any such non-payment of premium within the notice period); or
 - 5.3.4 otherwise decline any claim under the Policy by or on behalf of any insured party].
6. This notice and the authority and instructions it contains may only be revoked or amended with the written consent of the Security Agent.
7. This notice and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.
8. Please confirm your agreement to the above by signing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us).

Yours faithfully,

.....
For and on behalf of
[CHARGOR]

[To be included on copy notice:]

To: [NAME, ADDRESS AND DEPARTMENT OF SECURITY AGENT]

Copy to: [NAME AND ADDRESS OF CHARGOR]

Dated: [DATE]

Dear Sirs

Acknowledgement of notice of Security

We acknowledge receipt of the above notice. Terms defined in the notice apply to this acknowledgement. We confirm that we:

1. have not received notice of any previous assignment of the Policy and will promptly notify you if we receive any such notice in the future;
2. will comply with the terms of the notice; and
3. will not claim or exercise any right of set-off, counterclaim or other right in relation to amounts payable in connection with the Policy.

Yours faithfully,

.....
for and on behalf of
[INSURANCE COMPANY/UNDERWRITER]

Part IV
Form of notice relating to Specified Agreements

To: [NAME AND ADDRESS OF COUNTERPARTY]

Dated: [DATE]

Dear Sirs,

Notice of security

1. We refer to [AGREEMENT] dated [DATE] between us and you (the "**Agreement**").
2. We give you notice that, under a debenture dated [DATE] (the "**Debenture**") we have assigned by way of security to [SECURITY AGENT] (the "**Security Agent**"), all of our present and future rights, title and interest in, under and to the Agreement.
3. We may not, without the prior consent of the Security Agent:
 - 3.1 agree to any amendment, supplement, extension, waiver, surrender, release or termination of the Agreement;
 - 3.2 consent to any assignment or transfer of your interest under the Agreement; or
 - 3.3 assign any of our rights or transfer any of our rights or obligations under the Agreement.
4. Until you receive written notice from the Security Agent stating that an Acceleration Event (as defined in the Debenture) has occurred, you may continue to deal with us in relation to the Agreement. After you receive such notice, we will cease to have any right to deal with you in relation to the Agreement and you must deal directly with or upon the written instructions of the Security Agent. We will remain liable to perform all our obligations under the Agreement and the Security Agent is under no obligation of any kind under the Agreement and assumes no liability in the event of any failure by us to perform our obligations under the Agreement.
5. With effect from the date of this notice, we irrevocably and unconditionally authorise and instruct you:
 - 5.1 to disclose such information relating to the Agreement and to give such acknowledgements and undertakings relating to the Agreement as the Security Agent may from time to time request; and
 - 5.2 to pay all amounts under or in connection with the Agreement to the account [in our name] with [ACCOUNT BANK] (account number [NUMBER] and sort code [SORT CODE]), unless otherwise directed by the Security Agent.
6. This notice and the authority and instructions it contains may only be revoked or amended with the written consent of the Security Agent.
7. This notice and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.
8. Please confirm your agreement to the above by signing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us).

Yours faithfully,

.....
For and on behalf of
[CHARGOR]

[To be included on copy notice:]

To: [NAME, ADDRESS AND DEPARTMENT OF SECURITY AGENT]

Copy to: [NAME AND ADDRESS OF CHARGOR]

Dated: [DATE]

Dear Sirs

Acknowledgement of notice of security

We acknowledge receipt of the above notice. Terms defined in the notice apply to this acknowledgement. We confirm that we:

1. have not received notice of any previous assignment of or charge over the Agreement and will promptly notify you if we receive any such notice in the future;
2. will comply with the terms of the notice; and
3. will not claim or exercise any right of set-off or counterclaim or any other similar right in relation to amounts payable in connection with the Agreement.

Yours faithfully,

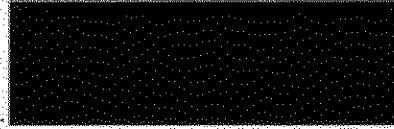
.....
for and on behalf of
[COUNTERPARTY]

EXECUTION OF DEBENTURE

The Chargor

Executed as a deed by
GLENEAGLES HOTELS LIMITED,
acting by one director in the presence of:

)
)
)



Director

Name: *DAN KEMP*

Witness signature:



Witness name: *ROCHEL FISHER*

Witness address:



The Security Agent

SIGNED AND DELIVERED

by a duly authorised Official of HSBC Bank plc:

HOW ZACHARIAN

as Attorney of

HSBC BANK PLC

in the presence of

Witness: *RICHARD STEPHENSON*

Address:

Occupatio... *BANK OFFICIAL*

