

To: Stonegate Pub Company Bidco Limited (the **Company**)

Attention: The Directors

17 July 2019

Dear Sirs,

Project Safari – Second Lien Bridge Facility Fee Letter

We refer to the second lien bridge facilities agreement (the **Second Lien Facilities Agreement**) dated on or about the date of this letter among, *inter alia*, the Stonegate Pub Company Bidco Holdings Limited (the **Parent**), a limited company incorporated under the laws of England and Wales, the Company, a limited company incorporated under the laws of England and Wales, Stonegate Pub Company Financing 2019 PLC (the **Borrower** and the **Issuer**), a public limited liability company incorporated under the laws of England and Wales, the Original Guarantors (as defined in the Second Lien Facilities Agreement), Barclays Bank PLC (**Barclays**), Goldman Sachs Bank USA (**GS**) and Nomura International plc (**Nomura**), as mandated lead arrangers (the **Arrangers**) and Barclays, GS and Nomura, as original lenders (the **Underwriters**) providing for a £400 million second lien bridge facility (the **Second Lien Facility**).

Unless otherwise specified herein, capitalized terms used herein without definitions have the meanings assigned to them in the Second Lien Facilities Agreement.

This letter is the Bridge Fee Letter referred to in the Second Lien Facilities Agreement.

1. SECOND LIEN FACILITY FEES

1.1 In connection with and in consideration of the Arrangers arranging, and the Underwriters underwriting, the Second Lien Facility in the amounts set out in the Second Lien Facilities Agreement, the Company shall pay, or procure that there is paid:

- (a) whether or not any Loans under the Second Lien Facilities Agreement are funded on the Closing Date, to the Arrangers a commitment fee (the **Commitment Fee**) in an aggregate amount equal to 1.25% of the Total Commitments under the Second Lien Facilities Agreement, earned on the date hereof and payable on the Closing Date; *provided* that the Commitment Fee shall be in an aggregate amount equal to 1.50% of the Total Commitments under the Second Lien Facilities Agreement that have not been cancelled (or in respect of which a Permanent Financing has not been issued, the proceeds of which will replace the funding of those Commitments) from (but excluding) the date falling 180 days after the date hereof (it being understood, for the avoidance of doubt, that the Commitment Fee of 1.25% shall remain payable on the Closing Date with respect to any Total Commitments that have been cancelled (or in respect of which Commitments a Permanent Financing has been issued, the proceeds of which will replace the funding of such Commitments)); and *provided* that if no Loans are funded under the Second Lien Facilities Agreement, the “Closing Date” will nevertheless be deemed to have occurred on the date of the receipt by the Parent of any financing that replaces the funding of the Loans

in whole or in part, including the issuance of Securities; *provided, further*, that to the extent that TDR Capital (having coordinated any marketing effort with the Arrangers) has procured underwriting commitments in relation to the Second Lien Facility or to replace the Second Lien Facility, leading to a cancellation (in whole or in part) of Commitments under the Second Lien Facility within 60 days of the date hereof (a **Direct Placement**), the Commitment Fee on the Commitments so cancelled shall be 1.25% of the Commitments so cancelled and the Arrangers shall receive an underwriting commission in an aggregate amount equal to 1.00% of the Commitments so cancelled; *provided, however*, that no other fees shall be payable to the Arrangers or Underwriters in respect of the cancelled Commitments under the Second Lien Facility or any replacement or refinancing thereof; and the Company agrees that any second lien term facility commitments provided within 90 days of the date hereof to replace the Second Lien Facility (including any Direct Placement in the form of a second lien term loan facility) shall, except to the extent agreed with Arrangers representing a majority of the Total Commitments as of the date of this letter, be offered with original issue discount of at least 2.00%;

- (b) to the Arrangers in the event that, and to the extent that, the Borrower borrows under the Second Lien Facilities Agreement, a funding fee (the **Funding Fee**) in an aggregate amount equal to 1.25% of the aggregate principal amount of the Loan actually borrowed, payable at the time of such borrowing (in respect of the Loan borrowed at such time), *provided* that on a prepayment of all or any portion of the Second Lien Facility within the time periods set forth in Column A below funded with the proceeds of any Permanent Financing (under and as defined in the Engagement Letter (the **Second Lien Engagement Letter**) entered into in connection with the Second Lien Facilities Agreement (the **Permanent Financing**)) in which the Arrangers and/or any of their respective affiliates would be entitled to receive the fees provided for in the Second Lien Engagement Letter (or have been offered a role commensurate with their role under the Second Lien Engagement Letter and refused to perform such role), the Arrangers agree to reduce any fees payable to the Arrangers and/or any of their respective affiliates in connection with such Permanent Financing (whether by set-off against any fees to be paid under the Second Engagement Letter or otherwise) by an amount set forth in Column B below paid to such Arrangers in respect of the relevant Loan prepaid opposite the relevant time period in Column A:

A	B
From the Closing Date to and including the date falling 45 days thereafter	100% of the Funding Fee
From and including the date falling 46 days after the Closing Date to and including the date falling 90 days after the Closing Date	75% of the Funding Fee
From and including the date falling 91 days after the Closing Date to and including the date falling 180 days after the Closing Date	50% of the Funding Fee
From and including the date falling 181 days after the Closing Date to and including the date falling 271 days after the Closing Date	25% of the Funding Fee

From and including the date falling 272 days
after the Closing Date

0% of the
Funding Fee

- (c) to the Arrangers if any of the Loan remains outstanding on the Conversion Date, a rollover fee (the **Rollover Fee**) equal to the product of (a) 1.75% and (b) the aggregate principal amount of Loans outstanding on the Conversion Date, earned and payable on the Conversion Date; *provided* that on a prepayment of all or any portion of the Loan within the time periods set forth in Column A below funded with the proceeds of any Permanent Financing in which the Arrangers and/or any of their respective affiliates would be entitled to receive the fees provided for in the Second Lien Engagement Letter (or have been offered a role commensurate with their role under the Second Lien Engagement Letter and refused to perform such role), the Arrangers agree to reduce any fees payable to the Arrangers and/or any of their respective affiliates in connection with such Permanent Financing (whether by set-off against any fees to be paid under the Second Lien Engagement Letter or otherwise) by an amount set forth in Column B below paid to such Arrangers in respect of the relevant Loan prepaid opposite the relevant time period in Column A:

A	B
From the Conversion Date to and including the date falling 45 days thereafter	100% of the Rollover Fee
From and including the date falling 46 days after the Conversion Date to and including the date falling 90 days after the Conversion Date	75% of the Rollover Fee
From and including the date falling 91 days after the Conversion Date to and including the date falling 180 days after the Conversion Date	50% of the Rollover Fee
From and including the date falling 181 days after the Conversion Date to and including the date falling 271 days after the Conversion Date	25% of the Rollover Fee
From and including the date falling 272 days after the Conversion Date	0% of the Rollover Fee

and

- (d) to the Agent under the Second Lien Facilities Agreement, if the Loan is funded on the Closing Date, an annual agency fee (the **Agency Fee**) in an amount and at such times to be agreed.

- 1.2 The Fees (as defined herein) shall be allocated to the Arrangers in accordance with their (or their affiliates') pro rata shares of the Total Commitments. In consultation with the Arrangers, the Parent shall be permitted, within twenty (20) Business Days of the date of this letter, to appoint up to three

(3) additional arrangers and underwriters (the **Additional Arrangers**) under the Second Lien Facility; *provided* that unless otherwise agreed by the Parent and the Arrangers originally party to this letter, the Total Commitments of all Additional Arrangers, taken together, shall not exceed 20% of the Total Commitments; *provided, further*, that each Additional Arranger shall participate (as of the date of such appointment) in the Senior Bridge Facilities Agreement, the Senior Term Facilities Agreement and the Revolving Facilities Agreement in the same (and in the case of the Revolving Facilities Agreement, in at least the same) proportion as its participation in the Total Commitments under the Second Lien Facilities Agreement. If any Additional Arrangers are appointed, such Fees shall be allocated to the Additional Arrangers in accordance with their (or their affiliates') pro rata shares of the Total Commitments at the time of such appointment and the amount of Fees payable to Barclays, GS and Nomura shall be recalculated based on, and shall be allocated in accordance with, their (or their affiliates') respective pro rata share of the Total Commitments after giving effect to the appointment of the Additional Arrangers.

1.3 All fees payable hereunder shall be payable in pound sterling.

1.4 Notwithstanding anything to the contrary herein, no fees shall be payable under this Section 1 (*Second Lien Facility Fees*) unless the Acquisition Completion Date occurs.

2. **EXPENSES**

(a) You will reimburse (or procure that another member of the Group reimburses) the Arrangers for all reasonable documented costs and out-of-pocket expenses properly incurred by them in connection with the negotiation, preparation, printing, execution, syndication and securing of the definitive documentation for the Second Lien Facility, subject to a cap to be agreed between you and the Arrangers.

(b) Such portion of the costs and expenses described under Section 2(a) above which relate to reasonable legal expenses of counsel to the Arrangers (as approved by you) shall, on a basis and subject to any cap to be agreed between the Arrangers and you in advance, be reimbursed by you (or another member of the Group as procured by you).

3. **SECURITIES DEMAND**

3.1 The Parent agrees that at any time (but not more than three times) on or after the date that is 30 days after the Acquisition Completion Date, and prior to the Initial Maturity Date, after the Parent shall have been afforded the bona fide opportunity to participate in a reasonable marketing period customary for an offering of securities and the completion of such marketing period, including a customary "roadshow" (unless the Parent has not complied with the obligations under Clause 3 (Cooperation) under the Second Lien Engagement Letter, in which case a roadshow shall not be a condition to such notice) upon notice from the original Arrangers together with their affiliates representing a majority of the Total Commitments as of the date of this letter (a **Securities Notice**), the Issuer will issue the debt securities as specified in such Securities Notice (the **Securities**) and in each case on the terms and conditions set forth in the following provisos; *provided that*:

(a) the interest rate of such Securities shall be reasonably determined by the Arrangers in light of the then prevailing market conditions for comparable debt securities in consultation with the Borrower, but in no event shall (i) the total weighted average effective yield (including OID, based on a three year convention) on such Securities at any time exceed the Total Cap on such Securities (the Total Cap being, with respect to Securities issued on or prior to 1 January 2020, 11.00% per annum, with respect to Securities issued after 1 January

2020 and on or prior to 13 March 2020, 11.25% per annum and, with respect to Securities issued after 13 March 2020, 11.50% per annum and (ii) any such Securities be issued at a price (prior to payment of initial purchasers' discount and underwriting fees) of less than 98.0% (the discount of such price to par, the OID);

- (b) to the extent Securities are issued subject to OID, at the option of the Parent additional Securities (in excess of the original amount of the Second Lien Facility) may be issued to ensure the total amount of Securities issued is no less than 100% of the original value prior to the OID;
- (c) the final maturity of any Securities intended to prepay any Loan shall not be less than eight (8) years and redemption provisions of such Securities shall not be less favourable to the Issuer than those included in the Exchange Notes;
- (d) in the event of a Change of Control, the Securities shall be portable; *provided* that, if the Arrangers have used their best efforts to sell the Securities subject to this feature and have not been successful in doing so, this feature may be removed;
- (e) in light of the then prevailing market conditions for comparable debt securities, if necessary to complete the placement of the Securities, the Arrangers (together with their affiliates (other than Asset Management Affiliates (as defined below))), representing at least a majority of the Total Commitments of the Loans at that time may reasonably determine, in consultation with you, that (i) the call premium be reset such that after the expiry of the non-call period of three years, the applicable premium will become: 75% of the coupon of the Securities for the first anniversary thereafter, which premium shall decline ratably on each subsequent yearly anniversary (50% on the fourth anniversary, 25% on the fifth anniversary and 0% after the sixth anniversary), (ii) the net leverage ratio level for the 'evergreen' Restricted Payments basket may be decreased to 5.25:1; *provided* that, if the 'evergreen' Restricted Payments basket is so decreased, the amount of dividends payable through IPO proceeds shall increase to 8% of Market Capitalization per annum, (iii) the quantum of synergies that can be added back to Consolidated EBITDA may be capped at 25% of pro forma Consolidated EBITDA (calculated after giving full effect to the pro forma adjustments set forth in the definition of "Consolidated EBITDA") and the period for which such synergies may be projected may be limited to 24 months from the date on which the applicable actions have been taken or with respect to which substantial steps have been taken or are expected to be taken and (iv) up to £200.0 million equivalent of the Loans that are refinanced or replaced by Securities may be denominated in euros; *provided* that, if such Securities (the **Euro Securities**) are being issued pursuant to a Securities Notice, in determining the interest rate or yield for such Euro Securities, costs related to interest rate hedging and currency hedging shall be taken into account;
- (f) any such Securities shall be issued through a Regulation S/Rule 144A private placement with no registration rights (and not a public offering), unless otherwise consented to by the Parent;
- (g) each offering of Securities shall be in respect of a minimum of £100 million (or the equivalent thereof) of Securities and, subject to sub-clause (e), the Securities will be denominated in pound sterling unless otherwise consented to by the Parent;

- (h) any such issuance shall be pursuant to a placement agreement and related documents containing terms and conditions consistent with the Precedent Purchase Agreement, the Exchange Notes and the Precedent Indenture;
- (i) such Securities shall be guaranteed and secured by the same assets that guarantee and secure the Loan, subject to the terms of the Intercreditor Agreement and the Agreed Security Principles;

provided, further, that any Securities issued to any Underwriter or an affiliate thereof (other than asset management affiliates, investment funds, proprietary investing or flow trading operations managed and/or operated on a day to day basis separately from the debt arranging and underwriting businesses of the applicable Arranger or which purchase Securities in the ordinary course of their business as part of a regular distribution of the Securities (**Asset Management Affiliates**), and excluding Securities acquired pursuant to bona fide open market purchases from third parties or market making activities (**Repurchased Securities**)), shall be callable and/or subject to redemption at the issue price plus accrued interest (and for the avoidance of doubt, without premium or penalty of any kind) for so long as such Securities are held by them. The redemption provisions of the Securities will provide, if applicable, for non-ratable voluntary redemptions of Securities (other than Repurchased Securities) held by any Underwriter and its affiliates (other than Asset Management Affiliates) at such prices for so long as such Securities are held by them. As used herein, **Precedent Purchase Agreement** shall mean the purchase agreement dated March 2, 2017, between Stonegate Pub Company Financing plc, as the issuer, and other parties thereto, relating to the sale and purchase of its 4.875 % senior secured notes due 2022 and its floating rate senior secured notes due 2022 and **Precedent Indenture** shall have the meaning assigned to it in the Second Lien Facilities Agreement.

- 3.2 In the event that the Parent fails to comply with a Securities Notice within five (5) Business Days after delivery of such Securities Notice (a **Demand Failure Event**) (i) the Rollover Fee, if not previously paid, shall become immediately due and payable, (ii) the interest rate under the Second Lien Facility shall increase to the Total Cap, (iii) the Conversion Date will be deemed to have occurred and (iv) the Extended Loans shall become freely transferable in accordance with the Second Lien Facilities Agreement. For the avoidance of doubt, a Demand Failure Event shall not constitute a default under the documentation governing the Second Lien Facility and the foregoing items (i) through (iv) shall be the sole remedy in respect thereof.
- 3.3 Notwithstanding anything to the contrary in this Clause 3, in light of the then prevailing market conditions for comparable debt securities, if necessary to complete the placement of the Securities, the Arrangers (together with their affiliates (other than Asset Management Affiliates), representing at least a majority of the Total Commitments of the Loans at that time may reasonably determine, in consultation with you, to refinance or replace the Commitments or Loans under Second Lien Bridge Facility with second lien term loans (**Second Lien Term Loans**) instead of the Securities. The Total Cap on the Second Lien Term Loans will be (x) with respect to such Second Lien Term Loans borrowed on or prior to 1 January 2020, 11.0% per annum, (y) with respect to Second Lien Term Loans borrowed after 1 January 2020 and on or prior to 13 March 2020, 11.25% per annum, and (z) with respect to such Second Lien Term Loans borrowed after 13 March 2020, 11.50% per annum, in each case, shall take into account costs related to interest rate hedging and currency hedging (if applicable). If the Commitments or Loans are refinanced or replaced with the Second Lien Terms Loans pursuant to this Clause 3.3, following such refinancing or replacement, the Company shall provide syndication assistance consistent with paragraph 2 of the syndication letter dated on or about the date hereof, between, among others, the Parent and the Arrangers (the **Syndication Letter**), subject to the terms set out therein.

- 3.4 Notwithstanding anything to the contrary in this paragraph 3, if a Securities Notice is issued, in determining the interest rate or yield for any individual tranche of Securities or Second Lien Term Loans issued pursuant to such Securities Notice, in light of the then prevailing market conditions for comparable debt securities, if necessary to complete the placement of the Securities, the Arrangers (together with their affiliates (other than Asset Management Affiliates), representing at least a majority of the Total Commitments of the Loans at that time may reasonably determine, in consultation with you, to allocate an interest rate and yield for such tranche which is in excess of the Total Cap applicable to the Second Lien Bridge Facility; *provided* that any such allocation (a) shall not exceed 0.50% and (b) shall not exceed an amount that, if the additional yield were applied to the Senior Bridge Loans, would cause the blended total weighted average effective yield (including OID and costs related to interest rate hedging and currency hedging) applicable to the Senior Bridge Loans together with any securities issued to refinance such Senior Bridge Loans (assuming in each case the maximum yield permitted thereunder), to exceed the Senior Total Cap (with such calculation being made on a weighted basis giving effect to the relative sizes of the Securities or the Second Lien Term Loan, as applicable, compared to the Senior Bridge Loans and any refinancing securities in respect thereof, as applicable). The term **Senior Total Cap** has the meaning given to such term in the Senior Bridge Fee Letter.

4. **ALTERNATE TRANSACTION FEE**

Subject to the next paragraph, in the event that during the 12-month period commencing on the date hereof, you or any of your affiliates consummate the Acquisition or any similar transaction that results in the acquisition of all or substantially all of the capital stock or assets of the Target (any such transaction, an **Alternate Transaction**), in each case with one or more bank, bridge or other syndicated credit facilities, debt securities or other debt financing provided or arranged by another financial institution substantially in lieu of the Second Lien Facility (the **Alternate Financing**) but excluding, for the avoidance of doubt, any funding provided or arranged directly or indirectly by funds managed by TDR Capital LLP, you agree that, unless an Arranger has (i) otherwise terminated the Second Lien Facilities Agreement or breached its obligations under such agreement or otherwise declined to provide the Second Lien Facility on the terms and conditions of the Second Lien Facilities Agreement during the Availability Period or (ii) been offered a reasonable opportunity to provide, place, arrange or underwrite one or more Alternate Financings on mutually satisfactory terms and conditions acting in such roles and with not less than the percentage of compensatory economics specified in the Second Lien Facilities Agreement and has breached its obligations or otherwise declined to provide such facilities, then you will pay (or cause to be paid) to such Arranger under the Second Lien Facility its pro rata share of a fee equal to 100% of the Rollover Fee that would have been payable to the Arranger in respect of the Second Lien Facility if the full amount of the Loans had remained outstanding on the Conversion Date (the **Alternate Transaction Fee**), earned and payable upon the consummation of such Alternate Transaction, without proof of loss or damages.

Notwithstanding anything else in this letter or the Syndication Letter, TDR shall have the right to arrange the placement of the Second Lien Facility, and except to the extent provided in Section 1 hereof, in the event of a Direct Placement, no fees shall be payable to the Arrangers and the Underwriters under this Section 4.

5. **PAYMENT**

- 5.1 Other than as provided above, payments of each of the Commitment Fee, the Funding Fee, the Rollover Fee, and the Alternate Transaction Fee (collectively, the **Fees**) and the Agency Fee shall, if payable, be made:

- (a) in full, without (and free and clear of any deduction for) set-off or counterclaim;
 - (b) in immediately available freely transferable funds to such account or accounts with such bank or banks in London as the Arranger shall notify to the Parent by not less than five (5) Business Days; and
 - (c) exclusive of any VAT or other Tax which might be chargeable in connection with it. If any VAT or other Tax (other than any income Taxes of the recipient of the Fees) is chargeable in connection with the Fees, you shall, upon receipt of a valid VAT invoice, pay it at the same time as you pay such Fees.
- 5.2 Except as expressly provided hereunder, each of the Fees once paid is non-refundable and non-creditable.

6. MISCELLANEOUS

- 6.1 This letter is a Finance Document under the Second Lien Facilities Agreement.
- 6.2 This letter sets out the entire agreement between all of the parties as to the Fees (other than the Agency Fee) in connection with the commitments entered into in respect of the Second Lien Facility and supersedes any prior oral and/or written understandings or arrangements among such parties relating to such Fees in respect of the Second Lien Facility, in each case, other than as expressly set out in the Second Lien Facilities Agreement or the Engagement Letter entered into in connection with the Second Lien Facilities Agreement. Any provision of this letter may only be amended or waived in writing signed by each of the parties hereto.
- 6.3 You acknowledge that this letter is neither an expressed nor an implied commitment by the Arranger or the Underwriter or any of their affiliates to act in any capacity with respect to the Second Lien Facility or to purchase or place any loans in connection therewith, which commitment, if any, is only set forth in the Second Lien Facilities Agreement.
- 6.4 No party may assign or transfer rights or obligations under this letter without the consent of the other parties, provided that all Fees under this letter may be retained and/or distributed by the relevant recipient in such manner as it determines in its sole discretion.
- 6.5 (a) Except as otherwise expressly provided in this letter, the terms of this letter may be enforced or relied on only by a party to it or such party's successors or permitted assigns and the terms of the Contracts (Rights of Third Parties) Act 1999 are excluded.
- (b) The parties to this letter may, however, at any time, by agreement, rescind the agreement set out herein or amend its terms without the consent of any person who is not a party to this letter.
- 6.6 If a term of this letter becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:
- (a) the legality, validity or enforceability in that jurisdiction of any other term of this letter; or
 - (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this letter.

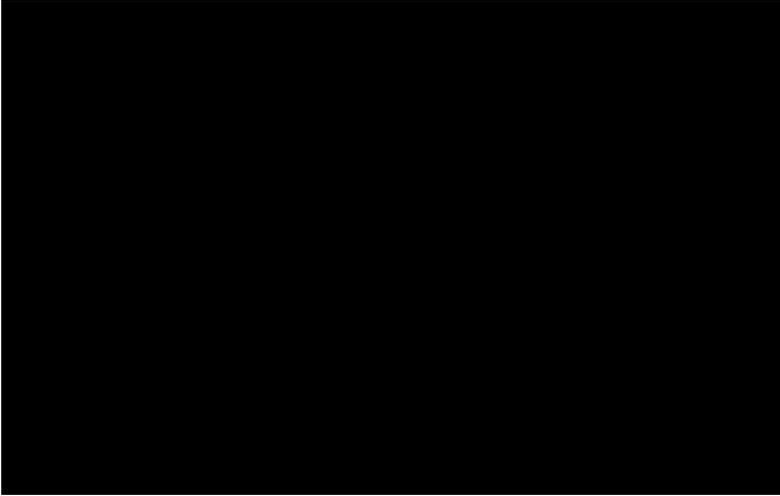
- 6.7 This letter may be signed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this letter. Delivery of an executed counterpart of a signature page of this letter by facsimile transmission or electronic transmission will be effective as delivery of a manually executed counterpart hereof.
- 6.8 This letter and any non-contractual obligations arising in connection with it are governed by English law.
- 6.9 Each party agrees that the courts of England have exclusive jurisdiction to settle any disputes in connection with this letter and accordingly submits to the exclusive jurisdiction of the English courts.
- 6.10 Each party further agrees to waive any objection to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with this letter and any non-contractual obligation arising out of or in connection with it and agrees that a judgment or order of an English court in connection with this letter and any non-contractual obligation arising out of or in connection with it is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.
- 6.11 Each party agrees that this letter and its contents will be subject to the confidentiality provisions of the Second Lien Facilities Agreement.

If you agree to the above, please confirm your agreement and acceptance of the terms of this letter by signing, dating and returning this letter to us.

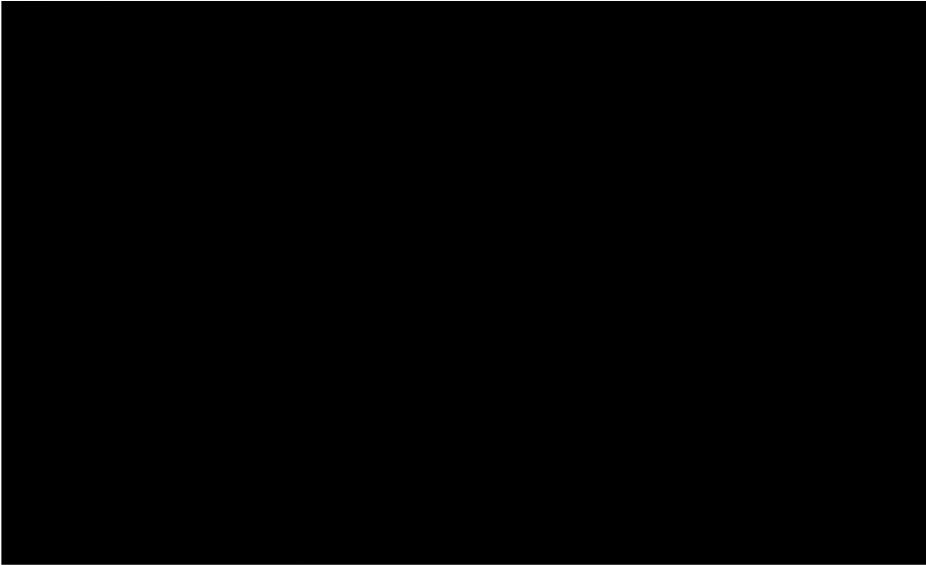
Yours faithfully,

Arrangers

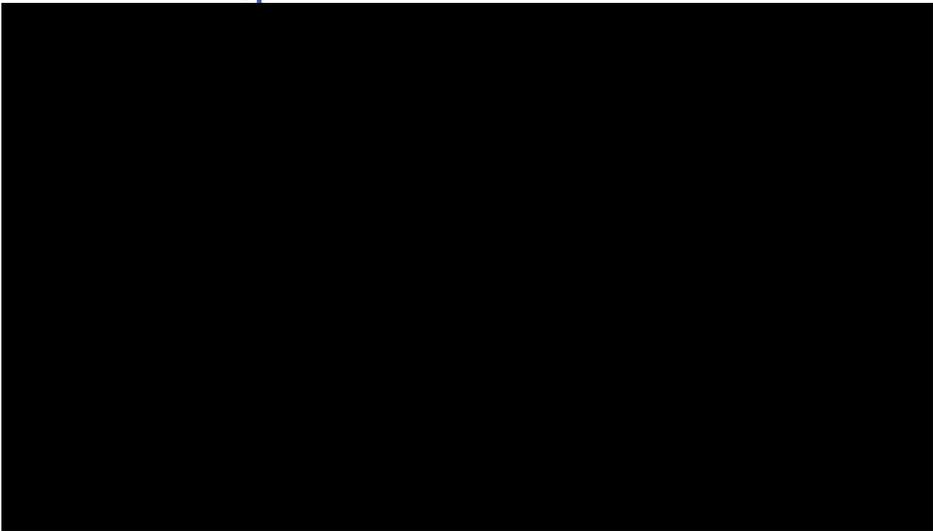
BARCLAYS BANK PLC



GOLDMAN SACHS BANK USA



NOMURA INTERNATIONAL PLC



Underwriters

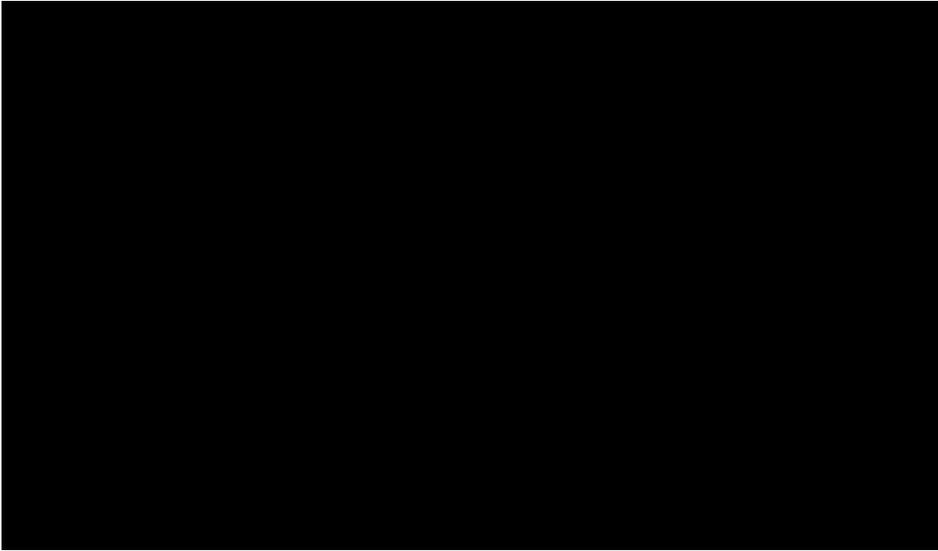
BARCLAYS BANK PLC



GOLDMAN SACHS BANK USA



NOMURA INTERNATIONAL PLC



Accepted and agreed

STONEGATE PUB COMPANY BIDCO LIMITED

