235086/368

In accordance with Sections 859A and 859J of the Companies Act 2006

MR01
Particulars of a charge

laserform

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A fee is be payable wit
Please see 'How to pay'

MONDAY

A5CX2O6O
A04 08/08/2016 #87
COMPANIES HOUSE

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

✗ **What this form is NOT**
You may not use this fo register a charge where instrument Use form M

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

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

For official use

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

1 Company details

Company number	0 1 5 8 0 7 4 4 ✓
Company name in full	Westminster Health Care Group Limited ✓

2 Charge creation date

Charge creation date	d 0 d 1 m 0 m 8 y 2 y 0 y 1 y 6 ✓

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

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

Name	The Royal Bank of Scotland PLC in its capacity as Lender ✓
Name	
Name	
Name	

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

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

MR01
Particulars of a charge

4 Brief description

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

Brief description

Not applicable

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

Please limit the description to the available space

5 Other charge or fixed security

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

[x] **Yes** ✓

☐ **No**

6 Floating charge

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

[x] **Yes** Continue ✓

☐ **No** Go to **Section 7**

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

[x] **Yes**

7 Negative Pledge

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

[x] **Yes**

☐ **No**

8 Trustee statement ❶

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

☐

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

9 Signature

Please sign the form here

Signature

Signature

X Hogan Lovells International LLP X

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

CHFP025
04/16 Version 2 1

MR01
Particulars of a charge

Presenter information

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

Contact name Zoe Aarons

Company name Hogan Lovells International LLP

Address Atlantic House

Holborn Viaduct

Post town London

County/Region

Postcode E C 1 A 2 F G

Country United Kingdom

DX 57 London Chancery Lane

Telephone +44 (20) 7296 2000

Certificate

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

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

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

Important information

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

How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'

Where to send

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

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

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

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

Further information

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

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

DX

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1580744

Charge code: 0158 0744 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st August 2016 and created by WESTMINSTER HEALTH CARE GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th August 2016.

Given at Companies House, Cardiff on 16th August 2016

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

EXECUTION VERSION

DATED 1 August 2016

BARCHESTER HEALTHCARE LIMITED
and certain of its Subsidiaries
(as Chargors)

- and –

THE ROYAL BANK OF SCOTLAND PLC
(as Lender)

DEBENTURE

Save for material redacted pursuant to s859G of the Companies Act 2006, I certify that this is a true and complete copy of the composite original seen by me.

Signature:
Title: SENIOR ASSOCIATE
Date: 4 August 2016.
Name of firm: Hogan Lovells International LLP.
Address: Atlantic House, 50 Holborn Viaduct, London, EC1A 2FG.

Hogan Lovells

Ref F1/AARONSZO/6989869
135284 002207

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

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EXECUTION PAGE 31

THIS DEBENTURE is made on 1 August 2016

BETWEEN

(1) **THE COMPANIES** named in Schedule 1 (*The Chargors*), and

(2) **THE ROYAL BANK OF SCOTLAND PLC** as Lender

WITNESSES AS FOLLOWS

1 **DEFINITIONS AND INTERPRETATION**

1 1 **Definitions.** Unless the context otherwise requires, words or expressions defined in the Facility Agreement shall have the same meanings in this Debenture and this construction shall survive the termination of the Facility Agreement In addition, in this Debenture

"Amendment and Restatement Agreement" means the amendment and restatement agreement dated on or about the date of this deed relating to the Facility Agreement and entered into by the Parties to the Facility Agreement

"Assets" means in relation to a Chargor, all its undertaking, property, assets, revenues and rights of every description, or any part of them

"Beneficiary" means each Finance Party and any Receiver or Delegate

"Chargor" means each company named in Schedule 1 (*The Chargors*) and (with effect from its accession) each other company which executes a Deed of Accession and Charge and any other company which subsequently adopts the obligations of a Chargor

"Company" means Barchester Healthcare Homes Limited a limited liability company incorporated under the laws of England and Wales with registered number 02849519

"Declared Default" means that an Event of Default has occurred and as a result the Lender has taken steps to exercise any of its rights under Clause 25 23 (*Acceleration*) of the Facility Agreement

"Deed of Accession and Charge" means a deed of accession and charge substantially in the form of Schedule 2 (*Form of Deed of Accession and Charge for a New Chargor*)

"Default" means a Default under and as defined in the Facility Agreement

"Derivative Rights" includes

(a) allotments, rights, money or property arising at any time in relation to any Investments by way of conversion, exchange, redemption, bonus, preference, option or otherwise,

(b) dividends, distributions, interest and other income paid or payable in relation to any Investments, and

(c) stock, shares and securities offered in addition to or in substitution for any Investments

"Event of Default" means an Event of Default under and as defined in the Facility Agreement

"Facility Agreement" means the facility agreement dated 5 October 2013 between Barchester Healthcare Limited (as the Parent), the companies listed as Original

Borrowers, the companies listed as Original Guarantors and The Royal Bank of Scotland plc as Arranger and Lender as amended by the Amendment and Restatement Agreement, and as amended from time to time

"Finance Document" means the Facility Agreement, the Amendment and Restatement Agreement, any Accession Letter, any Deed of Accession and Charge, any Ancillary Document, any Compliance Certificate, any Fee Letter, the Intercreditor Agreement, any Transaction Security Document, any Utilisation Request, any documents delivered pursuant to Clause 26 (*Changes to Lender*) of the Facility Agreement and any other document designated as a "Finance Document" by the Lender and the Parent

"Finance Party" means the Lender, the Arranger, an Affiliate of the Lender which makes available an Ancillary Facility in accordance with Clause 6 (*Ancillary Facilities*) of the Facility Agreement and any entity to which the Lender transfers or assigns its rights and obligations in accordance with Clause 26 1 (*Assignments and transfers by the Lender*) of the Facility Agreement.

"Financial Collateral" in relation to a Chargor, means any of its Assets comprising financial collateral within the meaning of the Financial Collateral Regulations

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended.

"Fixed Security Asset" means an Asset for the time being comprised within a mortgage or fixed charge created by Clause 3.1 (*Fixed Security*) or arising on crystallisation of a floating charge whether under Clause 4 (*Crystallisation*) or otherwise and includes all Assets assigned, mortgaged or charged by the equivalent provisions in any Deed of Accession and Charge.

"Floating Charge Asset" means an Asset for the time being comprised within the floating charge created by Clause 3.2 (*Creation of floating charge*) (or by the equivalent provision of any Deed of Accession and Charge) but, in relation to Assets situated in Scotland and charged by Clause 3 2(b) (or by the equivalent provision of any Deed of Accession and Charge) only in so far as concerns the floating charge over that Asset.

"Group" means the Parent and its Subsidiaries for the time being.

"Insurance Policy" means any contract or policy of insurance of any Chargor (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of any Chargor or (to the extent of its interest) in which any Chargor has an interest at any time but excluding any liability insurance and any directors' and officers' insurance.

"Intellectual Property" means patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs (including in relation to semiconductor products) anywhere in the world and, in each case, any extensions and renewals of, and any applications for, such rights

"Investments" means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Schedule 2, Part II of the Financial Services and Markets Act 2000), whether certificated or uncertificated and whether in registered or bearer form, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of

redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise

"Land" means freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures)

"Liability" means any liability, damage, loss, costs, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise.

"Maintenance Reserve Charge" means the Maintenance Reserve Charge under and as defined in the Facility Agreement.

"New Chargor" means a member of the Group which becomes a Chargor under this Debenture in accordance with Clause 25 (*Accession of a New Chargor*)

"Parent" means Barchester Healthcare Limited a limited liability company incorporated under the laws of England and Wales with registered number 02792285.

"Party" means a party to this Debenture.

"Receivables" in relation to a Chargor, means all sums of money receivable by it at any time consisting of or payable under or derived from any Asset described in Clause 3 1 (*Fixed Security*) or described in the equivalent provision of any Deed of Accession and Charge.

"Receiver" means any receiver or receiver and manager appointed under Clause 15 (*Appointment of a Receiver or an Administrator*) including (where the context requires or permits) any substituted receiver or receiver and manager.

"Relevant System" has the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of, and clearance of transactions in, investments

"Secured Sums" means all present and future obligations and liabilities (whether actual or contingent and whether incurred jointly or severally or in any other capacity whatsoever and whether incurred originally by a Chargor or by some other person) of each Chargor to all or any of the Beneficiaries under each or any of the Finance Documents, in each case together with:

(a) all costs, charges and expenses incurred by any Beneficiary in connection with the protection, preservation or enforcement of its rights under any Finance Document; and

(b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under the Finance Documents

"Specified Investments" means, in relation to a Chargor, all investments which at any time

(c) represent a holding in a Subsidiary of such Chargor or an undertaking which would be its subsidiary undertaking if in section 1162(2)(a) of the Companies Act 2006 "30 per cent or more" were substituted for "a majority",

(d) are held in the name of the Lender or its nominee or to its order, or

(e) that Chargor has deposited certificates for with the Lender or which, if uncertificated, are held in an escrow or other account in favour of the Lender or its nominee

1.2 **Interpretation:** Unless the context otherwise requires, the interpretative provisions set out in the paragraphs below shall apply in this Debenture

(a) References to any Party shall be construed so as to include that Party's respective successors in title, permitted assigns and permitted transferees

(b) **"Including"** and **"In particular"** shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing"

(c) A **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.

(d) **"Property"** includes any interest (legal or equitable) in real or personal property and anything in action.

(e) **"Variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and **"vary"** and **"varied"** shall be construed accordingly

(f) **"Writing"** includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Debenture to be signed and **"written"** has a corresponding meaning

(g) Subject to Clause 29.4 (*Variations*), references to this Debenture or to any other document (including any Finance Document) include references to this Debenture or such other document as varied in any manner from time to time, even if changes are made to the composition of the parties to this Debenture or such other document or to the nature or amount of any facilities made available under such other document and, in addition, references to this Debenture shall include (with effect from the date on which it comes into force) each Deed of Accession and Charge executed pursuant to it

(h) References to uncertificated Investments are to Investments the title to which can be transferred by means of an electronic or other entry in a Relevant System and references to certificated Investments are to Investments which are not uncertificated Investments

(i) The singular shall include the plural and vice versa and any gender shall include the other genders

(j) Clauses, paragraphs and Schedules shall be construed as references to Clauses and paragraphs of, and Schedules to, this Debenture

(k) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances

(l) Headings in this Debenture are inserted for convenience and shall not affect its interpretation

(m) A Default or an Event of Default is **"continuing"** if it has not been remedied or waived.

(n) **"Blank stock transfer form"** means a stock transfer form validly executed by the relevant Chargor but with the section relating to the consideration and the transferee left blank.

2. **COVENANT TO PAY**

2.1 **Covenant to pay:** Each Chargor (as primary obligor and not merely as surety) covenants with the Lender that it will, on the Lender's written demand, pay or discharge the Secured Sums when due at the times and in the manner provided in the relevant Finance Documents.

2 2 **Proviso:** The covenants contained in this Clause and the security created by this Debenture shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law

2 3 **Demands:**

(a) The making of one demand shall not preclude the Lender from making any further demands.

(b) Any third party dealing with the Lender or any Receiver shall not be concerned to see or enquire as to the validity of any demand under this Debenture

3. **CREATION OF SECURITY**

3.1 **Fixed Security:** Each Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges in favour of the Lender·

(a) by way of fixed charge·

(i) all Specified Investments which are now its property, including all proceeds of sale derived from them;

(ii) all Specified Investments in which that Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them;

(iii) all Derivative Rights of a capital nature now or in the future accruing or offered in respect of its Specified Investments;

(iv) all Derivative Rights of an income nature now or in the future accruing or offered at any time in respect of its Specified Investments,

(v) all insurance or assurance contracts or policies now or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are now or in the future deposited by it with the Lender, together with all its

rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in this Debenture,

(vi) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset, and

(vii) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively charged by fixed charge under the foregoing provisions of this Debenture

3 2 **Creation of floating charge:** Each Chargor, with full title guarantee, charges to the Lender as security for the payment or discharge of all Secured Sums, by way of floating charge·

(a) all its Assets (save in respect of the Company and Barchester Nominee (No.1) Limited, only, the Maintenance Reserve Charges), except to the extent that such Assets are charged by any fixed charge contained in Clause 3.1 (*Fixed Security*), including any Assets comprised within a charge which is reconverted under Clause 4.4 (*Reconversion*), and

(b) without exception, all its Assets in so far as they are for the time being situated in Scotland,

but in each case so that such Chargor shall not, create any Security over any such Floating Charge Asset (whether having priority over, or ranking pari passu with or subject to, this floating charge) or take any other step referred to in Clause 7 (*Negative pledge and other restrictions*) with respect to any such Floating Charge Asset, and such Chargor shall not, without the consent of the Lender, sell, transfer, part with or dispose of any such Floating Charge Asset (except as permitted by Clause 24.15 (*Disposals*) of the Facility Agreement)

3 3 **Priority:**

(a) Any fixed Security created by a Chargor and subsisting in favour of the Lender shall (save as the Lender may otherwise declare at or after the time of its creation) have priority over the floating charge created by Clause 3.2 *(Creation of floating charge)*

(b) Any Security created in the future by a Chargor (except in favour of the Lender) shall be expressed to be subject to this Debenture and shall rank in order of priority behind the charges created by this Debenture (except to the extent mandatorily preferred by law)

4. **CRYSTALLISATION**

4 1 **Crystallisation by notice:** The floating charge created by each Chargor in Clause 3 2 *(Creation of floating charge)* may, subject to Clause 4.5 (*Moratorium Assets*), be crystallised into a fixed charge by notice in writing given at any time by the Lender to the relevant Chargor (or to the Parent on its behalf) if.

(a) a Declared Default has occurred and is continuing,

(b) a Default under Clause 25 6 (*Insolvency*) or Clause 25 7 (*Insolvency Proceedings*) of the Facility Agreement has occurred and is continuing; or

(c) the Lender in good faith considers that any of the Assets expressed to be charged to the Lender by this Debenture may be in danger of being seized or sold pursuant to any form of legal process, or

(d) a circumstance envisaged by paragraph (a) of Clause 4 2 (*Automatic crystallisation*) occurs and the Lender in good faith considers that such crystallisation is desirable in order to protect the priority of its security

Such crystallisation shall take effect over the Floating Charge Assets or class of Assets specified in the notice. If no Floating Charge Assets are specified, it shall take effect over all Floating Charge Assets of the relevant Chargor

4.2 **Automatic crystallisation:** If, without the Lender's prior written consent.

(a) any Chargor, in contravention of any Finance Document, resolves to take or takes any step to·

(i) charge or otherwise encumber any of its Floating Charge Assets,

(ii) create a trust over any of its Floating Charge Assets, or

(iii) dispose of any Floating Charge Asset (except by way of sale in the ordinary course of such Chargor's business to the extent that such disposal is not otherwise prohibited by any Finance Document); or

(b) any person resolves to take or takes any step to seize or sell any Floating Charge Asset pursuant to any form of legal process, or

(c) an Event of Default under Clause 25 6 (*Insolvency*) or 25.7 (*Insolvency Proceedings*) of the Facility Agreement has occurred,

then the floating charge created by Clause 3 2 (*Creation of floating charge*) shall, subject to Clause 4 5 (*Moratorium Assets*), be automatically and instantly crystallised (without the necessity of notice) into a fixed charge over such Floating Charge Asset or, in the case of paragraph (c) above into a fixed charge over all Floating Charge Assets of the relevant Chargor

4 3 **Future Floating Charge Assets:** Except as otherwise stated in any notice given under Clause 4 1 (*Crystallisation by notice*) or unless the crystallisation relates to all its Floating Charge Assets, prospective Floating Charge Assets acquired by any Chargor after crystallisation has occurred under Clause 4 1 (*Crystallisation by notice*) or Clause 4 2 (*Automatic crystallisation*) shall become subject to the floating charge created by Clause 3 2 (*Creation of floating charge*), so that the crystallisation shall be effective only as to the specific Floating Charge Assets affected by the crystallisation

4 4 **Reconversion:** Any charge which has crystallised under Clause 4 1 (*Crystallisation by notice*) or Clause 4 2 (*Automatic crystallisation*) may, by notice in writing given at any time by the Lender to the relevant Chargor (or to the Parent on its behalf), be reconverted into a floating charge in relation to the Assets specified in such notice

4 5 **Moratorium Assets:** The floating charge created by each Chargor in Clause 3 2 (*Creation of floating charge*) may not be converted into a fixed charge on Assets for which

a moratorium is in force if and for so long as such conversion would breach paragraph 13 and/or paragraph 43 of Schedule A1 of the Insolvency Act 1986

5 **TITLE DOCUMENTS, INSURANCE POLICIES AND TRANSFERS**

5 1 **Documents:** Subject to the rights of any prior chargee and except as otherwise expressly agreed in writing by the Lender, each Chargor shall

(a) deposit with the Lender, and the Lender shall be entitled to retain during the continuance of the security created by this Debenture, all deeds and documents of title relating to its Fixed Security Assets that are necessary to give effect to or to perfect the fixed security described in Clause 3 1 (*Fixed Security*), including

(i) certificates of registration; and

(ii) certificates constituting or evidencing Specified Investments,

(b) as soon as reasonably practicable, and in any event within 5 Business Days of request, execute and deliver to the Lender such documents and transfers and give such instructions and perform such other acts as the Lender may reasonably require at any time to constitute or perfect an equitable charge or legal mortgage (at the Lender's option) over its Specified Investments, including any eligible to participate in a Relevant System

6 **RECEIVABLES**

6.1 **Restriction:** No Chargor shall purport, without the Lender's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery unless such action is permitted under the Facility Agreement.

6 2 **Factoring:** If the Lender releases, waives or postpones its rights in respect of any Receivable to enable a Chargor to factor or discount them to any person (the **"factor"**), the charges created by this Debenture shall in all other respects remain in full force and effect. In particular, all amounts becoming due to such Chargor from the factor and any Receivables reassigned, or due to be reassigned to such Chargor, shall be subject to the charges created by this Debenture, subject only to any defences or rights of set-off which the factor may have against such Chargor

6 3 **Information:** Each Chargor shall deliver to the Lender such particulars as to the amount and nature of its Receivables as the Lender may from time to time reasonably require.

7 **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

Without the prior written consent of the Lender, except as specifically permitted by the Facility Agreement, no Chargor shall

(a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets, or

(b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so

8 **RIGHT OF APPROPRIATION**

8 1 **Financial Collateral Arrangement:** The Parties acknowledge and intend that the charges over each Chargor's Financial Collateral provided under or pursuant to this Debenture will each constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations.

8 2 **Right of Appropriation:** The Lender may, on or at any time after the security constituted by this Debenture becomes enforceable in accordance with its terms, by notice in writing to the relevant Chargor appropriate with immediate effect all or any of its Financial Collateral charged by this Debenture which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Sums, whether such Assets are held by the Lender or otherwise

8 3 **Value:** The value of any Financial Collateral appropriated under Clause 8 2 shall be:

(a) in the case of cash, its face value at the time of appropriation, and

(b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Lender by reference to a public index or other applicable generally recognised source or such other process as the Lender may reasonably select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Lender;

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Lender

8 4 **Surplus or Shortfall:** The Lender will account to the relevant Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Sums and the Chargors shall remain liable to the Lender for any amount by which the value of the appropriated Assets is less than the Secured Sums.

8.5 **Confirmation:** Each Chargor agrees that the method of valuing Financial Collateral under Clause 8 3 is commercially reasonable

9 **FURTHER ASSURANCE**

Each Chargor shall (and the Parent shall procure that each Chargor will) promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices, forms and instructions and making all filings and registrations) as the Lender may reasonably specify and in such form as the Lender may reasonably require (in favour of the Lender) in order to:

(a) create, perfect, protect, maintain or enhance the Security created or intended to be created by this Debenture (which may include the execution of a mortgage, charge, assignment, transfer, notice, instruction or other Security over all or any of the Assets which are, or are intended to be, the subject of the Security constituted by this Debenture) or for the exercise of any rights, powers and remedies of any Beneficiary provided by this Debenture or by law,

(b) confer on the Beneficiaries, Security over any Assets of that Chargor located in any jurisdiction outside England and Wales which is (to the extent permitted by

local law) equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture; and/or

(c) facilitate the realisation of the Assets subject to the Security conferred or intended to be conferred by this Debenture or the exercise of any rights vested in the Lender, any Receiver, Administrator or nominee, including executing any transfer, conveyance, charge, assignment or assurance of all or any of the Assets which are the subject of the Security constituted by this Debenture, making any registration and giving any notice, order or instructions.

10 **CONTINUING SECURITY**

This Debenture shall be a continuing security for the Beneficiaries, notwithstanding any intermediate payment or settlement of accounts or other matter whatever, and shall be in addition to and shall not prejudice or be prejudiced by any right of set-off, combination, lien or other rights exercisable by any Beneficiary as banker against any Chargor or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by any Beneficiary.

11 **LAND**

11 1 **Preservation of Security:** No Chargor shall, without the prior written consent of the Lender or except as permitted by the Facility Agreement, take any action or permit any action to be taken or omit to do so, if any such action or omission would be reasonably likely to

(a) materially adversely affect the value of its Land, or

(b) adversely affect the value of the Security constituted by this Debenture over it

11.2 **Consolidation of Mortgages:** Section 93 of the Law of Property Act 1925, dealing with the consolidation of mortgages, shall not apply to this Debenture.

12. **SPECIFIED INVESTMENTS**

12 1 **Voting and other rights:** Each Chargor undertakes not to exercise any voting powers or rights in a way which would be reasonably likely to prejudice the value of its Specified Investments or otherwise to jeopardise the Security constituted by this Debenture over them

12 2 **Before Enforcement**· Unless and until the occurrence of a Declared Default·

(a) all voting powers and rights attaching to Specified Investments (including Derivative Rights) belonging to a Chargor shall continue to be exercised by such Chargor for so long as it remains their registered owner and such Chargor shall not permit any person other than such Chargor, the Lender or the Lender's nominee to be registered as holder of such Specified Investments or any part of them; and

(b) if Specified Investments belonging to a Chargor are registered in the name of the Lender or the Lender's nominee, all voting powers and rights attaching to them (including Derivative Rights) shall be exercised by the Lender or the Lender's nominee in accordance with instructions in writing from time to time received from such Chargor and, in the absence of any such instructions, the Lender or the Lender's nominee shall not exercise any such rights

12 3 **After Enforcement:** At any time after the occurrence of a Declared Default·

(a) the Lender may, for the purpose of protecting its interests in relation to the Secured Sums and for the purpose of preserving the value of the security created by this Debenture or enforcing it, exercise (but is not obliged to exercise) in the name of a Chargor or otherwise and without any further consent or authority on the part of any Chargor, all voting powers and rights attaching to the Specified Investments (including Derivative Rights) as it sees fit, including any rights to nominate or remove a director, as if the Lender were the sole beneficial owner of the Specified Investments;

(b) all Derivative Rights shall, if received by a Chargor or the Lender's nominee, be held on trust for and forthwith paid or transferred to the Lender; and

(c) each Chargor shall (and shall procure that the Lender's nominees shall) accept short notice for and attend any shareholders meetings relating to the Specified Investments, appoint proxies and exercise voting and other rights and powers exercisable by the holders of the Specified Investments as the Lender may direct from time to time as it sees fit for the purpose of protecting its interests in relation to the Secured Sums.

For the avoidance of doubt, unless and until the Lender takes any steps to exercise any voting powers or rights attaching to the Specified Investments after becoming entitled (but not obliged) to do so under this Clause, all such powers and rights remain with the relevant Chargor.

12.4 **Negative covenant:** Each Chargor covenants with the Lender that it will not, except as permitted by the Facility Agreement without the prior written consent of the Lender consent to its Specified Investments being consolidated, sub-divided or converted or any rights attached to them being varied

13. **OPENING OF NEW ACCOUNTS**

13.1 **Creation of new account:** On receiving notice that any Chargor has granted Security over or otherwise encumbered or disposed of any of its Assets in contravention of any Finance Document, a Beneficiary may rule off all its accounts and open new accounts with such Chargor.

13 2 **Credits to new account:** If a Beneficiary does not open a new account immediately on receipt of such notice, it shall nevertheless be treated as if it had done so on that day From that day, all payments made by the Chargor to that Beneficiary shall be treated as having been credited to a new account and shall not operate to reduce the amount owing from the Chargor to such Beneficiary at the time when it received such notice

14 **POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS**

14.1 **Section 103 of the LPA:** Section 103 of the Law of Property Act 1925 shall not apply to this Debenture, and the statutory power of sale shall arise on, and be exercisable at any time after, the execution of this Debenture. However, the Lender shall not exercise such power of sale until this Debenture has become enforceable.

14 2 **Powers of sale extended:** The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender by virtue of this Debenture are extended so as to authorise the Lender (whether in its own name or that of the Chargor concerned) to

(a) grant a lease of any Land vested in a Chargor or in which it has an interest on such terms and conditions as the Lender shall think fit; and

(b) sever any fixtures from Land vested in a Chargor and sell them separately.

15 **APPOINTMENT OF A RECEIVER OR AN ADMINISTRATOR**

15 1 **Appointment:** Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Debenture and the floating charges contained in this Debenture At any time after

(a) the occurrence of a Declared Default,

(b) in relation to any Chargor, a step or proceeding is taken, or a proposal made, for the appointment of an administrator or for a voluntary arrangement under Part I of the Insolvency Act 1986, or

(c) a request has been made by the Parent and/or a Chargor to the Lender for the appointment of a Receiver or an administrator over its Assets or in respect of a Chargor,

then this Debenture shall become enforceable and, notwithstanding the terms of any other agreement between such Chargor and any Beneficiary, the Lender may (unless precluded by law) appoint in writing any person or persons to be a receiver or a receiver and manager (or receivers or receivers and managers) of all or any part of the Assets of such Chargor or, an administrator or administrators of such Chargor, as the Lender may choose in its entire discretion

15.2 **Power to act separately:** Where more than one Receiver or administrator is appointed, the appointees shall have power to act separately unless the Lender shall specify to the contrary

15.3 **Receiver's remuneration:** The Lender may from time to time determine the remuneration of a Receiver

15 4 **Removal of Receiver:** The Lender may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Assets of which he is the Receiver

15 5 **Further appointments of a Receiver:** Such an appointment of a Receiver shall not preclude

(a) the Lender from making any subsequent appointment of a Receiver over all or any Assets over which a Receiver has not previously been appointed or has ceased to act; or

(b) the appointment of an additional Receiver to act while the first Receiver continues to act

15 6 **Receiver's agency:** The Receiver shall be the agent of the relevant Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until such Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Lender or any other Beneficiary

16 **POWERS OF A RECEIVER**

The Receiver may exercise, in relation to each Chargor over whose Assets he is appointed, all the powers, rights and discretions set out in Schedules 1 and 2 to the

Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others:

(a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Assets of the relevant Chargor, without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, Investments or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of such Chargor,

(b) promote the formation of a Subsidiary of the relevant Chargor with a view to such Subsidiary purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Assets of such Chargor,

(c) sever any fixtures from Land and/or sell them separately,

(d) exercise all voting and other rights attaching to Investments owned by the relevant Chargor;

(e) arrange for the purchase, lease, licence or acquisition of all or any Assets of the relevant Chargor by any Subsidiary contemplated by paragraph (b) above on a basis whereby the consideration may be for cash, Investments, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such Subsidiary and whether or not such consideration is payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit;

(f) make any arrangement or compromise with any Beneficiary or others as he shall think fit,

(g) make and effect all repairs, renewals and improvements to the Assets of the relevant Chargor and effect, renew or increase insurances on such terms and against such risks as he shall think fit,

(h) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine,

(i) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver,

(j) pay the proper administrative charges of any Beneficiaries in respect of time spent by their agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the relevant Chargor,

(k) commence and/or complete any building operations upon any Land of the relevant Chargor and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he may in his absolute discretion think fit,

(l) take all steps necessary to effect all registrations, renewals, applications and notifications as the Receiver may in his discretion think prudent to maintain in force or protect any of the relevant Chargor's Intellectual Property, and

(m) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the relevant Assets.

17 **POWER OF ATTORNEY**

17.1 **Appointment of attorney:** Each Chargor, by way of security and to more fully secure the performance of its obligations under this Debenture, hereby irrevocably appoints the Lender and separately any nominee and/or any Receiver to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise (whether or not a Receiver or administrator has been appointed) to

(a) do anything which that Chargor is obliged to do (but has not done within 5 Business Days of being notified by the Lender of such failure and being requested to comply) in accordance with this Debenture, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, and

(b) enable the Lender or any such nominee and/or Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Debenture or by statute in relation to this Debenture or the Assets charged, or purported to be charged, by it

17 2 **Ratification:** Each Chargor ratifies and confirms whatever any attorney does or purports to do (acting lawfully) pursuant to his appointment under this clause (except in the case of gross negligence or wilful misconduct)

17 3 **Sums recoverable:** All sums expended by the Lender, any nominee and/or any Receiver under this Clause 17 shall be recoverable from each Chargor under the terms of Clause 18 (*Costs and Expenses*) and Clause 19 (*Other Indemnities*) of the Intercreditor Agreement

18 **OTHER POWERS EXERCISABLE BY THE LENDER**

18 1 **Receiver's powers:** All powers of a Receiver conferred by this Debenture may be exercised by the Lender after this Debenture has become enforceable In that event, paragraph (i) of Clause 16 (*Powers of a Receiver*) shall be read and construed as if the words "be charged on the Assets of the relevant Chargor" were substituted for the words "be deemed an expense properly incurred by the Receiver"

18 2 **Receipt of debts:** Following the occurrence of a Declared Default, the Lender, its nominee or any manager, officer or agent of the Lender is hereby irrevocably empowered to.

(a) receive all trade debts and other debts and claims which may be assigned to the Lender pursuant to this Debenture and/or under any other Transaction Security Document,

(b) on payment give an effectual discharge for them and on non-payment to take and institute (if the Lender in its sole discretion so decides) all steps and proceedings

either in the name of the relevant Chargor or in the name of the Lender for their recovery; and

(c) agree accounts and make allowances and give time to any surety.

Each Chargor ratifies and confirms whatever the Lender or any manager or officer of the Lender shall do or purport to do under this clause (except in the case of gross negligence or wilful misconduct).

18 3 **Lender's powers:** The Lender shall have no liability or responsibility to any Chargor arising out of the exercise or non-exercise of the powers conferred on it by this Clause 18, except for gross negligence or wilful default.

18.4 **No duty of enquiry:** The Lender need not enquire as to the sufficiency of any sums received by it in respect of any debt or claim or make any claim or take any other action to collect in or enforce them

19. **APPLICATION OF MONEY RECEIVED BY THE LENDER OR A RECEIVER**

19 1 **Order of priority:** Any money received or realised under the powers conferred by this Debenture shall be paid or applied in accordance with the Intercreditor Agreement

19.2 **Suspense account:** Until all the Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Lender may place and keep to the credit of a suspense account any money received from or realised in respect of any Chargor's liability under this Debenture The Lender shall have no intermediate obligation to apply such money in or towards the discharge of any of the Secured Sums Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Lender in good faith to be a fair market rate.

19 3 **Discretion to apply:** Until all Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Lender may refrain from applying or enforcing any other moneys, security or rights held by it in respect of the Secured Sums or may apply and enforce such moneys, security or rights in such manner and in such order as it shall decide in its unfettered discretion.

20 **PROTECTION OF THIRD PARTIES**

20 1 **No duty to enquire:** No purchaser from, or other person dealing with, the Lender, its nominee or any Receiver or administrator appointed under this Debenture shall be concerned to enquire whether any of the powers which the Lender has exercised or purported to exercise has arisen or become exercisable, or whether this Debenture has become enforceable, or whether any nominee, Receiver or administrator has been validly appointed, or whether any event or cause has happened to authorise the Lender, any nominee or a Receiver or administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters

20 2 **Receipt:** The receipt of the Lender shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any money paid to or by the direction of the Lender

21 **PROTECTION OF THE LENDER, ANY NOMINEE AND RECEIVER**

21 1 **Limitation:** Neither the Lender nor any nominee nor Receiver shall be liable in respect of any Liability which arises out of the exercise or the purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Debenture, except if and in so far as such Liability results from its own gross negligence or wilful default

21 2 **Entry into possession:** Without prejudice to the generality of Clause 21 1 (*Limitation*), neither the Lender, any nominee nor any Receiver shall be liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him respectively If and whenever the Lender, or any nominee enters into possession of any Assets, it shall be entitled at any time at its discretion to go out of possession

21 3 **No partnership:** Nothing in this Debenture shall constitute or be deemed to constitute a partnership between any of the Beneficiaries and the Lender

22 **INTEREST ON OVERDUE AMOUNTS**

Any amount not paid in accordance with this Debenture when due shall carry interest at the rate and in accordance with the terms contained in the relevant Finance Document in relation to overdue sums or at such other rate as may be agreed between the relevant Chargor and Beneficiary from time to time

23 **SET-OFF**

23 1 **By Lender:** After the occurrence of an Event of Default which is continuing, the Lender may (but is not obliged to) retain any money it is holding (in any capacity) standing to the credit of any Chargor in any currency upon any account or otherwise (whether or not in such Chargor's name) as cover for any Secured Sums and/or at any time or times without notice to such Chargor set off all or any of such money against all or such part of the Secured Sums due, owing or incurred by that Chargor as the Lender may select If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

23 2 **By Ancillary Lender:** The Ancillary Lender may (but is not obliged to) retain any money standing to the credit of any Chargor with the Ancillary Lender in any currency upon any account or otherwise (whether or not in such Chargor's name) as cover for any Ancillary Outstandings owed to the Ancillary Lender and/or at any time or times without notice to such Chargor set off against, or combine or consolidate all or any of such money with, all or such part of the Ancillary Outstandings due, owing or incurred by that Chargor (whether as principal or as surety) as the Ancillary Lender may select and the Ancillary Lender may purchase with any such money any other currency required to effect such set-off, combination or consolidation

24 **TRANSFER BY A BENEFICIARY**

(a) Any Beneficiary may at any time assign and transfer all or any of its rights in relation to this Debenture to any person or otherwise grant an interest in them to any person to the extent that it is permitted to transfer its rights under the terms of the Facility Agreement

(b) The Lender may assign and transfer all of its rights and obligations under this Debenture to any replacement Lender appointed in accordance with Facility Agreement. Upon such assignment and transfer becoming effective, the replacement Lender shall be, and be deemed to be, acting as agent and trustee

for each of the Beneficiaries (including itself) for the purposes of this Debenture in replacement of the previous Lender

25 **ACCESSION OF A NEW CHARGOR**

25 1 **Method:** Any member of the Group may at any time, with the prior written approval of the Lender, become a party to this Debenture by delivering to the Lender in form and substance satisfactory to it

(a) a Deed of Accession and Charge; and

(b) a certified copy of the minutes of a meeting of its Board of Directors evidencing the due authorisation and execution of the Deed of Accession and Charge and any other conditions precedent required by the Finance Documents

25 2 **New Chargor bound:** The New Chargor shall become a Chargor under this Debenture with effect from the time when the Deed of Accession and Charge takes effect, at which point:

(a) the New Chargor shall become bound by all the terms of this Debenture and shall assume the same obligations as "Chargor" as if it were an original Party to this Debenture; and

(b) the other Chargors shall assume the same obligations in respect of the New Chargor as if it were an original Party to this Debenture

26. **RELEASE OF SECURITY**

26 1 **Redemption:** Subject to Clause 26 2 (*Avoidance of Payments*), if all Secured Sums have been unconditionally and irrevocably paid in full and none of the Beneficiaries are under any further actual or contingent liability to make advance or provide other financial accommodation to any person under any Finance Document, the Lender will (at the request and cost of the Chargors), execute and do all such reasonable acts as may be necessary to release the Assets from the Security constituted by this Debenture

26 2 **Avoidance of Payments:** If the Lender considers in good faith that any amount received in payment or purported payment of the Secured Sums is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws, the liability of each Chargor under this Debenture and the Security constituted by this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

27 **THIRD PARTY RIGHTS**

27 1 **Directly enforceable rights:** Pursuant to the Contracts (Rights of Third Parties) Act 1999

(a) the provisions of Clause 23 (*Set-off*), and Clause 24 (*Transfer by a Beneficiary*) shall be directly enforceable by a Beneficiary;

(b) the provisions of Clause 15 (*Appointment of a Receiver or an Administrator*) to Clause 21 (*Protection of the Lender, any nominee and Receiver*) inclusive shall be directly enforceable by any nominee or Receiver, and

(c) the provisions of Clause 20 (*Protection of third parties*) shall be directly enforceable by any purchaser

27 2 **Exclusion of Contracts (Rights of Third Parties) Act 1999**· Save as otherwise expressly provided in Clause 27 1 (*Directly enforceable rights*), no person other than a Party shall have any right by virtue of either the Contracts (Rights of Third Parties) Act 1999 or any other provision of English law under which rights might accrue to persons other than a Party, to enforce any term (express or implied) of this Debenture.

27 3 **Rights of the Parties to vary:** The Parties (or the Parent, on behalf of the Chargors, and the Lender (on behalf of the Beneficiaries)) may by agreement vary any term of this Debenture (including this Clause 27) without the necessity of obtaining any consent from any other person

28. **JOINT AND SEPARATE LIABILITY**

All covenants, agreements, representations and warranties on the part of the Chargors contained in this Debenture are given by them jointly and separately and shall be construed accordingly

29 **FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS**

29 1 **Delay etc:** All rights, powers and privileges under this Debenture shall continue in full force and effect, regardless of any Beneficiary, nominee or Receiver exercising, delaying in exercising or omitting to exercise any of them.

29 2 **Severability:** No provision of this Debenture shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable

29 3 **Illegality, invalidity, unenforceability:** Any provision of this Debenture which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Debenture

29 4 **Variations:** No variation of this Debenture shall be valid and constitute part of this Debenture, unless such variation shall have been made in writing and signed by the Lender (on behalf of the Beneficiaries) and the Parent (on behalf of the Chargors) or by all Parties

29.5 **Consents:** Save as otherwise expressly specified in this Debenture, any consent of the Lender may be given absolutely or on any terms and subject to any conditions as the Lender may determine in its entire discretion

30 **COUNTERPARTS**

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

31 **NOTICES**

31 1 **Notices provision:** Any communications to be made under or in connection with this Debenture shall be made in accordance with the notice provisions of the Facility Agreement

31 2 **Addresses:** If no address and fax number has been provided for any Chargor under the Facility Agreement, then the address and fax number (and the officer, if any, for whose attention the communication is to be made) of each Chargor for any communication or document to be made or delivered under or in connection with the Finance Documents is

that identified with its name in Schedule 1 (*The Chargors*) or any substitute address, fax number or department or officer as that Chargor may notify to the Lender by not less than five Business Days' notice

32 **LENDER**

The provisions of Clause 22 (*Consents, Amendments and Override*) of the Intercreditor Agreement shall apply to the Lender's rights, obligations and duties under this Debenture as if set out in this Debenture in full

33 **GOVERNING LAW**

This Debenture and all non-contractual obligations arising in any way whatsoever out of or in connection with this Debenture shall be governed by, construed and take effect in accordance with English law

34. **ENFORCEMENT**

34 1 **Jurisdiction:**

(a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or any claim for set-off) or the legal relationships established by this Debenture (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by a Chargor.

(b) Where a Dispute is the subject of proceedings commenced by one or more Beneficiaries, the Beneficiaries are entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the courts of England) If any Chargor raises a counter-claim in the context of proceedings commenced by one or more of the Beneficiaries, that Chargor shall bring such counter-claim before the court seized of the Beneficiary's claim and no other court

(c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude any Beneficiary from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not

(d) To the extent allowed by law, each Chargor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum

THIS DEBENTURE has been executed by each Chargor as a deed and signed by the Lender and it has been delivered and shall take effect on the date stated at the beginning of this document.

SCHEDULE 1

The Chargors

Name of Chargor	Registered Number	Address for Service and Fax Number
Barchester Healthcare Limited	02792285	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Healthcare Homes Limited	02849519	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Assisted Living Properties (Stamford Bridge) Limited	02727907	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Nominee (No 1) Limited	05864625	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors

Barchester Assisted Living Properties Limited	02851607	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Assisted Living Properties (Chorleywood) Limited	03425315	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Assisted Living Properties (Edgbaston) Limited	02839879	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Assisted Living Properties (Southgate) Limited	03425314	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors

Westminster Health Care Holdings Ltd	04327848	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Westminster Health Care (UK) Limited	03738097	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Westminster Health Care Group Limited	01580744	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Westminster Securitisation Limited	03836877	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Assisted Living Properties (Chacombe) Limited	01795494	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229

		For the attention of The Board of Directors
Gorseway Care Limited	03493611	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Barchester Assisted Living Properties (Gorseway) Limited	03442590	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors
Mount House (Coach House) Limited	05778803	Suite 304, Third Floor Design Centre East Chelsea Harbour, London, SW10 0XF Fax 020 7352 2229 For the attention of The Board of Directors

SCHEDULE 2

Form of Deed of Accession and Charge for a New Chargor

THIS DEED OF ACCESSION AND CHARGE is made on 20**

BETWEEN:

(1) [***INSERT THE NAME OF THE NEW CHARGOR***] (registered in [England and Wales] under number [***]) (the "**New Chargor**"),

(2) [***Insert the name of the Parent***] (registered in [England and Wales] under number [***]) (the "**Parent**"), and

(3) [***Insert the name of the Lender***] (the "**Lender**")

WHEREAS:

(A) This Deed is supplemental to a Debenture (the "**Principal Deed**") dated [***insert date***] between (1) the Chargors and (2) the Lender as agent and trustee for the Beneficiaries named in the Principal Deed (the "**Beneficiaries**")

[*Note: Set out details of any previous Deed of Accession and Charge.***]**

(B) The New Chargor has agreed, on the terms contained in the Principal Deed, to charge in favour of the Lender (acting as Lender and trustee for the Beneficiaries), all of its property, undertaking and assets to secure the Secured Sums, and to accede to the Principal Deed

THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

1 1 **Incorporation:** Words or expressions defined in the Principal Deed and principles of interpretation provided for in the Principal Deed shall, unless the context otherwise requires or unless otherwise re-defined below, have the same meaning and shall apply (as the case may be) in this Deed

1 2 **Additional Definitions** In this Deed

[***]

2 ACCESSION BY THE NEW CHARGOR TO THE PRINCIPAL DEED

2 1 **Accession:** The New Chargor agrees to be bound by all the terms of the Principal Deed and to perform all obligations of a Chargor under, and in accordance with, the Principal Deed with effect from the date of this Deed, as if it had been an original party to the Principal Deed as a Chargor

2 2 **Covenant to pay:** The New Chargor (as primary obligor and not merely as surety) covenants with the Lender that it will, on the Lender's written demand, pay or discharge the Secured Sums when due at the times and in the manner provided in the relevant Finance Documents

2 3 **Proviso:** The covenants contained in this Clause and the security created by this Deed shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law

2 4 **Parent's agreement to the accession:** The Parent (on behalf of itself and the other members of the Group which are parties to the Principal Deed) hereby agrees to the New Chargor's accession.

3 **[ASSIGNMENTS]**

[***]

4 **FIXED SECURITY**

[*** *Incorporate in the execution copy of the deed of accession the final text from Clause 3 1 of the Principal Deed with consequential changes. Note where the New Chargor has real property or intercompany debts it will be scheduled and a definition included of Intra Group Loan* ***]

5 **CREATION OF FLOATING CHARGE**

5 1 [*** *Incorporate in the execution copy of the deed of accession the final text from Clause 3 2 of the Principal Deed with consequential amendments* ***]

5 2 The parties agree (without limitation to the general nature of the New Chargor's accession to the Principal Deed contained in Clause 2) that the crystallisation provisions contained in Clause 4 of the Principal Deed shall equally apply to the floating charge contained in this Deed as if set out in full in this Deed.

6 **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

Without the prior written consent of the Lender, except as specifically permitted by the Facility Agreement, the New Chargor shall not·

(a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets, or

(b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so

7 **RIGHT OF APPROPRIATION**

7.1 The parties acknowledge and intend that the charges over the New Chargor's Financial Collateral provided under or pursuant to this Deed will each constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations.

7.2 The Lender may, on or at any time after the security constituted by this Deed becomes enforceable in accordance with the terms of the Principal Deed, by notice in writing to the New Chargor appropriate with immediate effect all or any of its Financial Collateral hereby charged which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Sums, whether such Assets are held by the Lender or otherwise.

7 3 The value of any Financial Collateral appropriated under Clause 7 2 shall be

(a) in the case of cash, its face value at the time of appropriation; and

(b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Lender by reference to a public index or other applicable generally recognised price source or such other process as the Lender may reasonably select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Lender;

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Lender

7 4 The Lender will account to the New Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Sums and the New Chargor shall remain liable to the Lender for any amount by which the value of the appropriated Assets is less than the Secured Sums

7 5 The New Chargor agrees that the method of valuing such Financial Collateral under Clause 7 3 is commercially reasonable

8 **POWER OF ATTORNEY**

8 1 **Appointment of attorney:** The New Chargor, by way of security and to more fully secure the performance of its obligations under this Deed, hereby irrevocably appoints the Lender and any Receiver separately, to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise (whether or not a Receiver or administrator has been appointed) to:

(a) in the event that New Chargor fails to comply with any of its obligations under this Deed, do anything which the New Chargor is obliged to do (but has not done within 5 Business Days of being notified by the Lender of such failure and being requested to comply) in accordance with this Deed, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document;

(b) enable the Lender or any such Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Deed or by statute in relation to this Deed or the Assets charged, or purported to be charged, by it.

8 2 **Ratification:** The New Chargor ratifies and confirms whatever any attorney does or purports to do (acting lawfully) pursuant to its appointment under this clause (except in the case of gross negligence or wilful misconduct)

8 3 **Sums recoverable:** All sums expended by the Lender or any Receiver under this clause shall be recoverable from the New Chargor under Clause 18 (*Costs and Expenses*) and Clause 19 (*Other Indemnities*) of the Intercreditor Agreement

9 **NOTICES**

All notices or demands to be given or made pursuant to this Deed shall be given or made in the manner set out in Clause 31 (*Notices*) of the Principal Deed The New Chargor's address for service is set out in Schedule 1 (*Notice Details*)

10 **COUNTERPARTS**

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all of which when taken together shall constitute a single document

11. **GOVERNING LAW**

This Deed and all non-contractual obligations arising in any way whatsoever out of or in connection with this Deed shall be governed by, construed and take effect in accordance with English law

12 **ENFORCEMENT**

12 1 **Jurisdiction:**

(a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in anyway whatsoever out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any claim for set-off) or the legal relationships established by this Deed (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by the New Chargor

(b) Where a Dispute is the subject of proceedings commenced by one or more Beneficiaries, the Beneficiaries are entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the courts of England) If any Chargor raises a counter-claim in the context of proceedings commenced by one or more of the Beneficiaries, that Chargor shall bring such counter-claim before the court seized of the Beneficiaries' claim and no other court

(c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude the Beneficiaries from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not

(d) To the extent allowed by law, the New Chargor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum.

13 **FINANCE DOCUMENT**

This Deed is a Finance Document

THIS DEED OF ACCESSION AND CHARGE has been executed by the New Chargor and the Parent as a deed and signed by the Lender and it has been delivered and shall take effect on the date stated at the beginning of this document.

Schedule 1 to Deed of Accession

Notice Details

[***Set out here the notice details for the New Chargor***]

Execution page to Deed of Accession

EXECUTION

THE NEW CHARGOR

Executed as a Deed by [***insert name of New Chargor***] (pursuant to a resolution of its Board of Directors) acting by.	))))	Director

in the presence of.

Signature of witness.

Name of witness

Address of witness:

Occupation of witness

THE PARENT

Executed as a Deed by **Barchester Healthcare Limited** (pursuant to a resolution of its Board of Directors) acting by	))))	Director

in the presence of

Signature of witness

Name of witness

Address of witness:

Occupation of witness

THE LENDER

Signed by for and on behalf of **The Royal Bank of Scotland plc**	))))	[redacted] Authorised Signatory

Execution Page

THE CHARGORS

Executed as a Deed by)
Barchester Healthcare Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

[redacted]

In the presence of

Signature of witness: [redacted]
Name of witness
Address of witness

Occupation of witness COMPANY SECRETARIAL ASSISTANT.

Executed as a Deed by)
Barchester Healthcare Homes Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

[redacted]

In the presence of.

Signature of witness. [redacted]
Name of witness:
Address of witness

Occupation of witness. COMPANY SECRETARIAL ASSISTANT.

Executed as a Deed by)
Barchester Assisted Living Properties)
Limited)
(pursuant to a resolution of its Board)
of Directors) acting by.)

[redacted]
Director

in the presence of

Signature of witn[redacted]
Name of witness:
Address of witne

Occupation of witness Secretary

Executed as a Deed by)
Barchester Assisted Living Properties)
(Chorleywood) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

[redacted]

in the presence of

Signature of witne[redacted]
Name of witness:
Address of witne

Occupation of witness: Secretary

Executed as a Deed by)
Barchester Assisted Living Properties)
(Edgbaston) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by

[redacted]

in the presence of

Signature of witne[redacted]
Name of witness:
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Barchester Assisted Living Properties)
(Southgate) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by

[redacted]

in the presence of

Signature of witne[redacted]
Name of witness
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Barchester Assisted Living Properties)
(Stamford Bridge) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

[redacted]

in the presence of

Signature of witne[redacted]
Name of witness.
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Barchester Nominee (No 1) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

[redacted]

in the presence of:

Signature of witne[redacted]
Name of witness
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Westminster Securitisation Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

in the presence of

Signature of witne
Name of witness:
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Westminster Health Care Holdings Ltd)
(pursuant to a resolution of its Board)
of Directors) acting by)

in the presence of

Signature of witne
Name of witness:
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Westminster Health Care (UK) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

in the presence of

Signature of witne
Name of witness
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Westminster Health Care Group Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

in the presence of

Signature of witne
Name of witness
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Barchester Assisted Living Properties)
(Chacombe) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by

in the presence of

Signature of witne
Name of witness:
Address of witnes

Occupation of witness Secretary

Executed as a Deed by
Gorseway Care Limited
(pursuant to a resolution of its Board
of Directors) acting by

in the presence of

Signature of witne
Name of witness:
Address of witnes

Occupation of witness Secretary

Executed as a Deed by)
Barchester Assisted Living Properties)
(Gorseway) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

[redacted]

in the presence of.

Signature of witne[redacted]
Name of witness:
Address of witnes

Occupation of witness: Secretary

Executed as a Deed by)
Mount House (Coach House) Limited)
(pursuant to a resolution of its Board)
of Directors) acting by)

[redacted]

in the presence of

Signature of witn[redacted]
Name of witness:
Address of witne

Occupation of witness Secretary

THE LENDER

Signed by)
for and on behalf of)
THE ROYAL BANK OF SCOTLAND PLC) [redacted]
Authorised Signatory

Address details.

280 Bishopsgate
London
EC2M 4RB

Attention: Lindsay Mead