



Registration of a Charge

Company name: **MODUS CARE LIMITED**

Company number: **03983561**

Received for Electronic Filing: **14/08/2018**



Details of Charge

Date of creation: **08/08/2018**

Charge code: **0398 3561 0014**

Persons entitled: **VGO SPECIAL SITUATIONS I (LUXEMBOURG) S.À R.L.**

Brief description: **FIRST LEGAL MORTGAGE OVER THE LEASE TO BE ENTERED INTO ON OR AROUND THE DATE HEREOF BETWEEN LINK CORPORATE TRUSTEES (UK) LIMITED AND MODUS CARE LIMITED IN RELATION TO TOBIAS HOUSE, 8 ST MARGARETS ROAD, TORQUAY (TQ1 4NW). FOR MORE MORE DETAILS OF LAND CHARGED PLEASE REFER TO THE INSTRUMENT.**

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

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

NICOLE THREATT



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3983561

Charge code: 0398 3561 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th August 2018 and created by MODUS CARE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th August 2018 .

Given at Companies House, Cardiff on 16th August 2018

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 8 August 2018

**PATHWAYS CARE GROUP LIMITED
NEWLIFE CARE SERVICES LIMITED
MODUS CARE LIMITED
PATHWAYS DAYCARE LIMITED
(as Chargors)**

and

**VGO SPECIAL SITUATIONS I (LUXEMBOURG) S.À R.L.
(as the Lender)**

SECURITY AGREEMENT

**This Deed is entered into subject to the terms of an intercreditor agreement between,
among others, the parties to this Deed dated 21 April 2017**

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THIS DEED is dated 8 August 2018 and made **BETWEEN**:

- (1) **PATHWAYS CARE GROUP LIMITED**, registered in England and Wales with company number 03409137;
- (2) **NEWLIFE CARE SERVICES LIMITED**, registered in England and Wales with company number 02791815;
- (3) **MODUS CARE LIMITED**, registered in England and Wales with company number 03983561;
- (4) **PATHWAYS DAYCARE LIMITED**, registered in England and Wales with company number 03673819 (each a “**Chargor**”, and together the “**Chargors**”); and
- (5) **VGO SPECIAL SITUATIONS I (LUXEMBOURG) S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) registered with the *Registre de Commerce et des Sociétés* in Luxembourg with registered number B180349 and its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, as the lender (the “**Lender**”).

BACKGROUND:

- (A) Each **Chargor** enters into this Deed in connection with the Mezzanine Facility Agreement.
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

“**Account Bank**” means an Acceptable Bank with whom a Security Account is maintained.

“**Act**” means the Law of Property Act 1925.

“**Additional Chargor**” means a member of the Group which becomes a **Chargor** by executing a Deed of Accession.

“**Approved Bank**” means an Acceptable Bank which has been given and has acknowledged all notices (if any) required to be given to it under this Deed.

“**Chargor**” means the Original **Chargor** and any Additional **Chargor**.

“**Deed of Accession**” means a deed substantially in the form of Schedule 5 (*Form of Deed of Accession*).

“Dispute” has the meaning given to that term in Clause 26(a) (*Jurisdiction of English courts*).

“Fixtures” means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery included on or in a Chargor’s Mortgaged Property.

“Intellectual Property” means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group which may now or in the future subsist.

“Investments” means:

- (a) the Shares; and
- (b) all other shares, stocks, debentures, bonds, warrants, coupons and other securities and investments which a Chargor purports to mortgage or charge under this Deed.

“Mezzanine Facility Agreement” means the mezzanine facility agreement between, amongst others, Saludem LD Bidco Limited and the Lender dated 21 April 2017 as amended from time to time.

“Mortgaged Property” means all freehold and leasehold property which a Chargor purports to mortgage or charge under this Deed.

“Original Property” means any freehold or leasehold property specified in Part 1 of Schedule 1 (*Security Assets*).

“Party” means a party to this Deed.

“Plant and Machinery” means, in relation to any Chargor, any plant, machinery, computers, office equipment or vehicles which that Chargor purports to mortgage or charge under this Deed.

“Premises” means all buildings and erections included on or in a Chargor’s Mortgaged Property.

“Receiver” means an administrative receiver, a receiver and manager or a receiver, in each case, appointed under this Deed.

“Relevant Contract” means in relation to any Chargor any agreement specified in Part 3 of Schedule 1 (*Security Assets*) opposite its name or in part 3 of the schedule to any Deed of Accession pursuant to which it became party to this Deed.

“Secured Obligations” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Lender under or in connection with the Finance Documents, except for any obligation or liability which, if it were so included, would result in this Deed contravening any law (including any of sections 678 or 679 of the Companies Act 2006).

“Security Account” means, in relation to any Chargor:

- (a) its blocked accounts; and
- (b) any other account which it purports to charge under this Deed.

“Security Assets” means all assets of each Chargor the subject of this Security.

“Security Period” has the meaning given to the term “Mezzanine Security Period” in the Intercreditor Agreement.

“Senior Security Period” has the meaning given to that term in the Intercreditor Agreement.

“Shares” means all shares in any member of the Group the subject of this Security.

1.2 Construction

- (a) Capitalised terms defined in the Mezzanine Facility Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of clauses 1.2 to 1.5 (*Construction*) of the Mezzanine Facility Agreement will apply to this Deed as though they were set out in full in this Deed, except that references to the Mezzanine Facility Agreement will be construed as references to this Deed.
- (c) This Deed is entered into subject to the terms of the Intercreditor Agreement. In the event of any conflict between the terms of this Deed and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.
- (d) In the event of any conflict between the terms of this Deed and the terms of the Mezzanine Facility Agreement, the terms of the Mezzanine Facility Agreement (as subject to the terms of the Intercreditor Agreement) shall prevail.
- (e) Notwithstanding anything to the contrary in the Finance Documents, any security expressed in this Deed to be first-ranking security shall, only during the Senior Security Period, take effect as second-ranking security per the terms of the Intercreditor Agreement.
- (f) Any covenant of a Chargor under this Deed remains in force during the Security Period and is given for the benefit of the Lender.
- (g) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document (as the case may be) are incorporated in this Deed to the extent required to ensure that any purported

disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (*Miscellaneous Provisions*) Act 1989.

- (h) If the Lender considers that an amount paid to it under or in connection with a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (i) Unless the context otherwise requires, a reference to a Security Asset includes:
 - (i) any part of that Security Asset;
 - (ii) any proceeds of that Security Asset; and
 - (iii) any present and future assets of that type.

2. CREATION OF SECURITY

2.1 General

- (a) All this Security:
 - (i) is created in favour of the Lender;
 - (ii) is security for the payment, discharge and performance of all the Secured Obligations; and
 - (iii) is made with full title guarantee in accordance with the Law of Property (*Miscellaneous Provisions*) Act 1994.
- (b) If a Chargor assigns an agreement under this Deed (or charges it by way of a first fixed charge) and the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
 - (i) that Chargor must notify the Lender immediately;
 - (ii) unless the Lender otherwise requires, that Chargor must, and each other Chargor must ensure that that Chargor will, use all reasonable endeavours to obtain the consent as soon as practicable; and
 - (iii) that Chargor must promptly supply to the Lender a copy of the consent obtained by it.
- (c) The fact that no or incomplete details of any Security Asset are inserted in Schedule 1 (*Security Assets*) or in any schedule to any Deed of Accession (if any) by which any Chargor becomes a Party does not affect the validity or enforceability of this Security.

2.2 Land

- (a) Each Chargor charges:

- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use property, including any of the preceding specified in Part 1 of Schedule 1 (*Security Assets*) or in part 1 of the schedule to any Deed of Accession by which it became a Party; and
 - (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives that Chargor a right to occupy or use property.
- (b) A reference in this Deed to any freehold or leasehold property includes:
 - (i) all buildings, erections, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on that property owned by the relevant Chargor; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that property and any moneys paid or payable in respect of those covenants.

2.3 Investments

- (a) Each Chargor charges by way of a first legal mortgage:
 - (i) all shares in any member of the Group owned by it or held by any nominee on its behalf, including any specified in Part 2 of Schedule 1 (*Security Assets*) opposite its name or in part 2 of the schedule to any Deed of Accession by which it became a Party; and
 - (ii) all other shares, stocks, debentures, bonds, warrants, coupons or other securities and investments owned by it or held by any nominee on its behalf.
- (b) A reference in this Deed to any share, stock, debenture, bond, warrant, coupon or other security or investment includes:
 - (i) any dividend, interest or other distribution paid or payable; and
 - (ii) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

in relation to that share, stock, debenture, bond, warrant, coupon or other security or investment.

2.4 Plant and Machinery

Each Chargor charges by way of a first fixed charge all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession.

2.5 Credit balances

Each Chargor charges by way of a first floating charge all of its rights in respect of any amount standing to the credit of any account it has with any person (including, without limitation, any account referred to in clause 19.49 (*Group Bank Accounts*) of the Mezzanine Facility Agreement) and the debt represented by that account.

2.6 Insurances

- (a) Each Chargor assigns absolutely, subject to a proviso for reassignment on redemption, all amounts payable to it under or in connection with each of its Insurances and all of its rights in connection with those amounts.
- (b) To the extent that they are not effectively assigned under paragraph (a) above, each Chargor charges by way of first fixed charge all amounts and rights described in paragraph (a) above.
- (c) A reference in this Clause 2.6 to any amounts excludes all amounts received or receivable under or in connection with any third party liability Insurance and required to settle a liability of a Chargor to a third party.

2.7 Other contracts

- (a) Each Chargor assigns absolutely, subject to a proviso for reassignment on redemption, all of its rights in respect of:
 - (i) its Relevant Contracts (including, without limitation, in the case of the Company, all its present and future rights, title and interest in and in respect of each Structural Intra-Group Loan);
 - (ii) any letter of credit issued in its favour; and
 - (iii) any bill of exchange or other negotiable instrument held by it.
- (b) To the extent that any right described in paragraph (a) above is not assignable or capable of assignment, the assignment of that right purported to be effected by paragraph (a) above shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which that Chargor may derive from that right or be awarded or entitled to in respect of that right.
- (c) To the extent that they do not fall within any other Clause of this Clause 2 and are not effectively assigned under paragraph (a) or (b) above, each Chargor charges by way of first fixed charge all of its rights under each agreement and document to which it is a party.

2.8 Intellectual Property

Each Chargor charges by way of a first fixed charge all of its rights in respect of any Intellectual Property, including any specified in Part 4 of Schedule 1 (*Security Assets*) opposite its name or in part 4 of the schedule to any Deed of Accession by which it became a Party.

2.9 Miscellaneous

Each Chargor charges by way of a first fixed charge:

- (a) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
- (b) its goodwill;
- (c) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above; and
- (e) its uncalled capital.

2.10 Floating charge

- (a) Each Chargor charges by way of a first floating charge all of its assets whatsoever and wheresoever not otherwise effectively mortgaged, charged or assigned under this Deed.
- (b) Except as provided below, the Lender may by notice to a Chargor convert any floating charge created by that Chargor under this Deed into a fixed charge as regards any of that Chargor's assets specified in that notice, if:
 - (i) an Event of Default has occurred and is continuing;
 - (ii) the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy; or
 - (iii) that Chargor fails to comply, or takes or threatens to take any action which, in the opinion of the Lender, is likely to result in it failing to comply with its obligations under Clause 4(a) (*Restrictions on dealing*).
- (c) The floating charge created under this Deed will (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge over all of each Chargor's assets:
 - (i) if an administrator is appointed or the Lender receives notice of an intention to appoint an administrator; or
 - (ii) on the convening of any meeting of the members of that Chargor to consider a resolution to wind that Chargor up (or not to wind that Chargor up).
- (d) The floating charge created under this Deed may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or

- (ii) anything done with a view to obtaining a moratorium, under section 1A of the Insolvency Act 1986.
- (e) The floating charge created under this Deed is a qualifying floating charge for the purpose of paragraph 14 of schedule B1 to the Insolvency Act 1986.
- (f) The giving by the Lender of a notice under paragraph (b) above in relation to any asset of a Chargor will not be construed as a waiver or abandonment of the Lender's rights to give any other notice in respect of any other asset or of any other right of any other Lender under this Deed or any other Finance Document.

3. REPRESENTATIONS AND WARRANTIES

3.1 Nature of security

Each Chargor represents and warrants to the Lender that, subject to the Legal Reservations:

- (a) this Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise; and
- (b) this Deed is its legal, valid and binding obligation and, subject to the Legal Reservations, is enforceable against it in accordance with its terms.

3.2 Times for making representations and warranties

- (a) The representations and warranties set out in this Deed (including in this Clause 3) are made by the Original Chargor on the date of this Deed.
- (b) Each representation and warranty under this Deed is deemed to be repeated by:
 - (i) each Chargor which becomes a Party by a Deed of Accession, on the date on which that Chargor becomes a Chargor; and
 - (ii) each Chargor on each date during the Security Period.
- (c) When a representation and warranty is deemed to be repeated, it is deemed to be made by reference to the circumstances existing at the time of repetition.

4. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create or allow to exist any Security on any of its assets; or
- (b) either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily dispose of all or any part of its assets,

unless permitted under the Senior Facilities Agreement and the Mezzanine Facility Agreement.

5. LAND

5.1 Information for Reports

Each Chargor represents and warrants to the Lender that:

- (a) the information supplied to the lawyers who prepared any Report relating to any of its Mortgaged Property for the purpose of that Report was true in all material respects at the date it was expressed to be given;
- (b) the information referred to in paragraph (a) above was at the date it was expressed to be given complete and did not omit any information which, if disclosed would make that information untrue or misleading in any material respect; and
- (c) as at the date of this Deed, nothing has occurred since the date of any information referred to in paragraph (a) above which, if disclosed, would make that information untrue or misleading in any material respect.

5.2 Title

Each Chargor represents and warrants to the Lender that, except as disclosed in any Report relating to any of its Mortgaged Property:

- (a) it is the legal and beneficial owner of its Mortgaged Property;
- (b) no breach of any law, regulation or covenant is continuing which affects or would be reasonably likely to affect materially the value, saleability or use of its Mortgaged Property;
- (c) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting its Mortgaged Property which conflict with its present use or adversely affect the value, saleability or use of any of the Mortgaged Property, in each case to any material extent;
- (d) so far as that Chargor is aware, nothing has arisen or has been created or is subsisting which would be an overriding interest or an unregistered interest which overrides first registration or registered dispositions over its Mortgaged Property and which would be reasonably likely to affect materially its value, saleability or use;
- (e) all facilities (including access) necessary for the enjoyment and use of its Mortgaged Property (including those necessary for the carrying on of its business at the Mortgaged Property) are enjoyed by that Mortgaged Property and none of those facilities are on terms entitling any person to terminate or curtail its use or on terms which conflict with or restrict its use, where the lack of those facilities would be reasonably likely to affect materially its value, saleability or use;
- (f) it has received no notice of any adverse claims by any person in respect of its Mortgaged Property which if adversely determined would or would be reasonably likely to materially adversely affect the value, saleability or use of

any of its Mortgaged Property, nor has any acknowledgement been given to any person in respect of its Mortgaged Property; and

- (g) its Mortgaged Property is held by it free from any Security or any lease or licence which would be reasonably likely to affect materially its value, saleability or use.

5.3 Repair

Each Chargor must keep:

- (a) its Premises in good and substantial repair and condition; and
- (b) its Fixtures in a good state of repair and in good working order and condition.

5.4 Compliance with leases and covenants

Each Chargor must:

- (a) perform all the material terms on its part contained in any lease, agreement for lease, licence or other agreement or document which gives that Chargor a right to occupy or use property comprised in its Mortgaged Property;
- (b) not do or allow to be done any act as a result of which any lease comprised in its Mortgaged Property may become liable to forfeiture or otherwise be terminated; and
- (c) duly and punctually comply with all material covenants and stipulations affecting the Mortgaged Property or the facilities (including access) necessary for the enjoyment and use of the Mortgaged Property and indemnify the Lender for any direct loss suffered by the Lender as a result or in respect of any breach of those covenants and stipulations.

5.5 Acquisitions

If a Chargor acquires any freehold or leasehold property after the date of this Deed, it must:

- (a) notify the Lender immediately;
- (b) immediately on request by the Lender and at the cost of that Chargor, execute and deliver to the Lender a legal mortgage in favour of the Lender of that property in any form (consistent with this Deed) which the Lender may require;
- (c) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
- (d) if applicable, ensure that this Security is correctly noted in the register of title against that title at the Land Registry.

5.6 Notices

Each Chargor must, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to its Mortgaged Property (or any part of it) which would or would be reasonably likely to have a material adverse effect on the value, saleability or use of any of the Mortgaged Property:

- (a) deliver a copy to the Lender; and
- (b) inform the Lender of the steps taken or proposed to be taken to comply with the relevant requirement.

5.7 Leases

No Chargor may in respect of its Mortgaged Property (or any part of it):

- (a) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy;
- (b) agree to any amendment or waiver or surrender of any lease or tenancy;
- (c) commence any forfeiture proceedings in respect of any lease or tenancy;
- (d) confer upon any person any contractual licence or right to occupy;
- (e) consent to any assignment of any tenant's interest under any lease or tenancy;
- (f) agree to any rent reviews in respect of any lease or tenancy; or
- (g) serve any notice on any former tenant under any lease or tenancy (or any guarantor of that former tenant) which would entitle it to a new lease or tenancy.

5.8 Land Registry

- (a) Each Chargor consents to a restriction in the following terms being entered into on the register of title relating to any Mortgaged Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the security agreement dated 8 August 2018 in favour of VGO Special Situations I (Luxembourg) S.à r.l. referred to in the charges register or their conveyancer."

- (b) Each Chargor applies to the Chief Land Registrar for a notice similar to the following terms to be entered on the register of title using form CH2 relating to any Mortgaged Property registered at the Land Registry:

"The lender under a mezzanine facility agreement dated 21 April 2017 between, among others, Salutem LD Bidco Limited and VGO Special Situations I (Luxembourg) S.à r.l. is under an obligation (subject to the terms of that mezzanine facility agreement) to, among others, Salutem LD Bidco Limited to make further advances and the security agreement referred to in the charges

register dated 8 August 2018 in favour of VGO Special Situations I (Luxembourg) S.à r.l. secures those further advances.”

5.9 Deposit of title deeds

Each Chargor must deposit with the Lender all deeds and documents of title relating to its Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf (or provide to the Lender one or more solicitor's undertakings to hold the same to the order of the Lender), except where any such deeds, documents, certificates or other documents are deposited with the Senior Lender (or held to the order of the Senior Lender pursuant to one or more such solicitor's undertakings), in which case each Chargor must deposit the same with the Lender (or provide to the Lender one or more solicitor's undertakings to hold the same to the order of the Lender) only after the same are returned by the Senior Lender (or any relevant solicitor) to any Chargor (or, if earlier, on the date on which the Senior Security Period ends).

5.10 Development

No Chargor may:

- (a) make or permit others to make any application for planning permission in respect of any part of the Mortgaged Property; or
- (b) carry out or permit to be carried out on any part of the Mortgaged Property any development for which the permission of the local planning authority is required,

except as part of carrying on its principal business where it would not or would not be reasonably likely to have a material adverse effect on the value, saleability or use of the Mortgaged Property or the carrying on of the principal business of that Chargor.

5.11 Investigation of title

Each Chargor must grant the Lender or its lawyers on request all facilities within the power of that Chargor to enable the Lender or its lawyers (at the expense of that Chargor) after this Security has become enforceable to:

- (a) carry out investigations of title to the Mortgaged Property; and
- (b) make such enquiries in relation to any part of the Mortgaged Property as a prudent mortgagee might carry out.

5.12 Reports on Title and Certificates of Title

Each Chargor must, as soon as practicable after a request by the Lender after this Security has become enforceable and at the expense of the Chargor, supply the Lender with a Report on Title or Certificate of Title (as the Lender may specify) of that Chargor to its Mortgaged Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature.

5.13 Power to remedy

If a Chargor fails to perform any covenant or stipulation or any term of this Deed affecting its Mortgaged Property, that Chargor must allow the Lender or its agents and contractors:

- (a) to enter any part of its Mortgaged Property;
- (b) to comply with or object to any notice served on that Chargor in respect of its Mortgaged Property; and
- (c) to take any action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach of any such covenant, stipulation or term or to comply with or object to any such notice.

That Chargor must, immediately on request by the Lender, pay the costs and expenses of the Lender or its agents and contractors incurred in connection with any action taken by it under this Clause 5.13.

6. INVESTMENTS

6.1 Investments

Each Chargor represents and warrants to the Lender that:

- (a) its Investments are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar right; and
- (b) it is the sole legal and beneficial owner of its Investments.

6.2 Changes to rights

No Chargor may (except to the extent permitted by the Senior Facilities Agreement, the Mezzanine Facility Agreement and the Intercreditor Agreement) take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Shares being issued.

6.3 Calls

- (a) Each Chargor must pay all calls and other payments due and payable in respect of any of its Investments.
- (b) If a Chargor fails to do so, the Lender may pay those calls or other payments on behalf of that Chargor. That Chargor must immediately on request reimburse the Lender for any payment made by the Lender under this Subclause and, pending reimbursement, that payment will constitute part of the Secured Obligations.

6.4 Other obligations in respect of Investments

- (a) Each Chargor must comply with all requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of its Investments. If a Chargor

fails to do so, the Lender may elect to provide any information which it may have on behalf of that Chargor.

- (b) Each Chargor must promptly supply a copy to the Lender of any information referred to in paragraph (a) above.
- (c) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- (d) The Lender will not be required in any manner to:
 - (i) perform or fulfil any obligation of a Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount,in respect of any Investment.

6.5 Voting rights and distributions

- (a) Before this Security becomes enforceable, each Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments.
- (b) After this Security has become enforceable:
 - (i) the Lender or its nominee may exercise or refrain from exercising:
 - (A) any voting rights; and
 - (B) any other powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise,in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by any Chargor;
 - (ii) all dividends or other income or distributions paid or payable in relation to any Investments must be paid to the Lender; and
 - (iii) to the extent that the Investments remain registered in the names of the Chargors, each Chargor irrevocably appoints the Lender or its nominee as its proxy to exercise all voting rights in respect of those Investments at any time after this Security has become enforceable.

- (c) Each Chargor must indemnify the Lender against any loss or liability incurred by the Lender as a consequence of the Lender acting in respect of its Investments on the direction of that Chargor.

7. INTELLECTUAL PROPERTY

7.1 Representations

Each Chargor represents to the Lender that as at the date of this Deed or, if later, the date it became a Party, all Intellectual Property which is material to its business is identified in Part 4 of Schedule 1 (*Security Assets*) opposite its name or in part 4 of the schedule to any Deed of Accession by which it became a Party.

7.2 Preservation

Each Chargor must promptly, if requested to do so by the Lender, sign or procure the signature of, and comply with all instructions of the Lender in respect of, any document required to make entries in any public register of Intellectual Property (including the Trade Marks Register of the United Kingdom of Great Britain and Northern Ireland) which either record the existence of this Deed or the restrictions on disposal imposed by this Deed.

8. ACCOUNTS

8.1 Change of Account Bank

- (a) If there is a change of Account Bank, the net amount (if any) standing to the credit of the account(s) maintained with the old Account Bank must be transferred to the corresponding account(s) maintained with the new Account Bank immediately upon the appointment taking effect and each Chargor irrevocably gives all authorisations and instructions necessary for any such transfer to be made.
- (b) Each Chargor:
 - (i) must take any action which the Lender may require to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms); and
 - (ii) irrevocably appoints the Lender as its attorney to take any such action if that Chargor should fail to do so.

8.2 Notices of charge

Each Chargor must:

- (a) immediately give notice to each Account Bank substantially in the form of Part 1 of Schedule 2 (*Forms of letter for Security Accounts*); and
- (b) use reasonable endeavours to procure that each Account Bank acknowledges that notice substantially in the form of Part 2 of Schedule 2 (*Forms of letter for Security Accounts*).

9. RELEVANT CONTRACTS

9.1 Interpretation

In this Clause 9, the term “Relevant Contract” shall be interpreted and construed as not including any Transaction Document.

9.2 Representations

Each Chargor represents to the Lender that:

- (a) all payments to it by any other party to any of its Relevant Contracts are not subject to any right of set-off or similar right;
- (b) each of its Relevant Contracts is its legally binding, valid, and enforceable obligation;
- (c) it is not in default of any of its obligations under any of its Relevant Contracts;
- (d) there is no prohibition on assignment in any of its Relevant Contracts; and
- (e) its entry into and performance of this Deed will not conflict with any term of any of its Relevant Contracts.

9.3 Preservation

No Chargor may, without the prior consent of the Lender or unless permitted by the Senior Facilities Agreement and the Mezzanine Facility Agreement:

- (a) amend or waive any term of, or terminate, any of its Relevant Contracts; or
- (b) take any action which might jeopardise the existence or enforceability of any of its Relevant Contracts.

9.4 Other undertakings

Each Chargor must:

- (a) duly and promptly perform its material obligations under each of its Relevant Contracts; and
- (b) supply the Lender and any Receiver with copies of each of its Relevant Contracts and any information and documentation relating to any of its Relevant Contracts requested by the Lender or any Receiver.

9.5 Rights

- (a) Subject to the rights of the Lender under paragraph (b) below, each Chargor must diligently pursue its rights under each of its Relevant Contracts but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default under the terms of the Senior Facilities Agreement or the Mezzanine Facility Agreement (as appropriate and respectively as defined in each of those agreements).

- (b) After this Security has become enforceable, the Lender may exercise (without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by the Chargor) any of that Chargor's rights under its Relevant Contracts.

9.6 Notices of assignment

Each Chargor, promptly upon request by the Lender, must:

- (a) immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (*Forms of letter for Relevant Contracts*), on each of the other parties to each of its Relevant Contracts; and
- (b) use reasonable endeavours to procure that each of those other parties acknowledges that notice substantially in the form of Part 2 of Schedule 4 (*Forms of letter for Relevant Contracts*) within 14 days of the date on which that notice was served.

10. PLANT AND MACHINERY

Each Chargor must keep its Plant and Machinery in good repair and in good working order and condition.

11. INSURANCES

11.1 Rights

- (a) Subject to the rights of the Lender under paragraph (b) below, each Chargor must diligently pursue its rights under each of its Insurances, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default under the terms of the Senior Facilities Agreement or the Mezzanine Facility Agreement (as appropriate and respectively as defined in each of those agreements).
- (b) After this Security has become enforceable:
 - (i) the Lender may exercise (without any further consent or authority on the part of any Chargor and irrespective of any direction given by any Chargor) any of the rights of any Chargor in connection with any amounts payable to it under any of its Insurances;
 - (ii) each Chargor must take such steps (at its own cost) as the Lender may require to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in the name of that Chargor; and
 - (iii) each Chargor must hold any payment received by it under any of its Insurances on trust for the Lender.

11.2 Notice

Each Chargor must:

- (a) immediately give notice of this Deed to each of the other parties to each of the Insurances by sending a notice substantially in the form of Part 1 of Schedule 3 (*Insurances*); and
- (b) use its reasonable endeavours to procure that each such other party acknowledges that notice substantially in the form of Part 2 of Schedule 3 (*Insurances*) within 14 days of the date of this Deed or any Deed of Accession by which it became a Party or, if later, the date of entry into that Insurance (as appropriate).

12. WHEN SECURITY BECOMES ENFORCEABLE

12.1 Timing

This Security will become immediately enforceable if an Event of Default has occurred and is continuing.

12.2 Enforcement

After this Security has become enforceable, the Lender may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

13. ENFORCEMENT OF SECURITY

13.1 General

- (a) The power of sale and any other power conferred on a mortgagee by law (including under section 101 of the Act) as varied or amended by this Deed will be immediately exercisable at any time after this Security has become enforceable.
- (b) For the purposes of all powers implied by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (c) Any restriction imposed by law on the power of sale (including under section 103 of the Act) or the right of a mortgagee to consolidate mortgages (including under section 93 of the Act) does not apply to this Security.
- (d) Any powers of leasing conferred on the Lender by law are extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as the Lender may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the Act).

13.2 No liability as mortgagee in possession

Neither the Lender nor any Receiver will be liable, by reason of entering into possession of a Security Asset:

- (a) to account as mortgagee in possession or for any loss on realisation; or
- (b) for any default or omission for which a mortgagee in possession might be liable.

13.3 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by law (including the Act) on mortgagees and receivers duly appointed under any law (including the Act).

13.4 Protection of third parties

No person (including a purchaser) dealing with the Lender or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Lender or to that Receiver is to be applied.

13.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Lender may:
 - (i) redeem any prior Security against any Security Asset;
 - (ii) procure the transfer of that Security to itself; and / or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and / or transfer, including the payment of any principal or interest.

13.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or the Receiver) may pay the proceeds of any recoveries effected by it into such number of suspense accounts as it considers appropriate.

14. RECEIVER

14.1 Appointment of Receiver

- (a) Except as provided below, the Lender may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Lender in writing at any time.

- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (e) The Lender may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Lender is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

14.2 Removal

The Lender may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

14.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the Act) will not apply.

14.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of the relevant Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The relevant Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) The Lender will not incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

14.5 Relationship with Lender

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Security Asset without first appointing a Receiver or notwithstanding the appointment of a Receiver.

15. POWERS OF RECEIVER

15.1 General

- (a) A Receiver has all the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law. This includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

15.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

15.3 Carry on business

A Receiver may carry on any business of any Chargor in any manner he thinks fit.

15.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

15.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

15.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (c) Fixtures may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

15.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

15.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.

15.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

15.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

15.11 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

15.12 Delegation

A Receiver may delegate his powers in accordance with this Deed.

15.13 Lending

A Receiver may lend money or advance credit to any customer of any Chargor.

15.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and / or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

15.15 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or by law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of any Chargor for any of the above purposes.

16. APPLICATION OF PROCEEDS

Unless otherwise determined by the Lender or a Receiver, any moneys received by the Lender or that Receiver after this Security has become enforceable must be applied by the Lender in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Lender or any Receiver under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;
- (b) in payment to (until the expiry of the Senior Security Period) the Senior Lender or (after the expiry of the Senior Security Period) the Lender for application towards the balance of the Secured Obligations; and
- (c) in payment of the surplus (if any) to any Chargor or other person entitled to it.

This Clause 16 is subject to the payment of any claims having priority over this Security and to the terms of the Intercreditor Agreement. This Clause 16 does not prejudice the right of the Lender to recover any shortfall from any Chargor.

17. EXPENSES AND INDEMNITY

Each Chargor must:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by any Lender, Receiver, attorney, manager, agent or other person appointed by the Lender under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and
- (b) keep each of those persons indemnified against any failure or delay in paying those costs and expenses.

18. DELEGATION

18.1 Power of attorney

The Lender or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

18.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Lender or any Receiver may think fit.

18.3 Liability

Neither the Lender nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

19. FURTHER ASSURANCES

Each Chargor must, at its own expense, take whatever action the Lender or a Receiver may reasonably require for:

- (a) creating, perfecting or protecting any security intended to be created by or pursuant to this Deed;
- (b) facilitating the realisation of any Security Asset;
- (c) facilitating the exercise of any right, power or discretion exercisable by the Lender or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset; or
- (d) creating and perfecting security in favour of the Lender (equivalent to the security intended to be created by this Deed) over any assets of any Chargor located in any jurisdiction outside England and Wales.

This includes:

- (i) the re-execution of this Deed;
- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Lender or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Lender may think expedient.

20. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and each of their respective delegates and sub-delegates to be its attorney to take any action which that Chargor is obliged to take under this Deed but which that Chargor has, following a request by the Lender, failed to take. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 20.

21. PRESERVATION OF SECURITY

21.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

21.2 Reinstatement

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor will continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Finance Party will be entitled to recover the value or amount of that security or payment from each Obligor as if the payment, discharge, avoidance or reduction had not occurred.

21.3 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (whether or not known to it or the Lender). This includes:

- (a) any time or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment of a Finance Document or any other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security or the failure by any member of the Group to enter into or be bound by any Finance Document; or
- (h) any insolvency or similar proceedings.

21.4 Immediate recourse

- (a) Each Chargor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other Obligor or any other person before claiming from that Chargor under this Deed.
- (b) This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

21.5 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may without affecting the liability of any Chargor under this Deed:

- (a)
 - (i) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) against those amounts; or
 - (ii) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of that Chargor's liability under this Deed.

21.6 Non-competition

Unless:

- (a) all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full; or
- (b) the Lender otherwise directs,

no Chargor will, after a claim has been made or by virtue of any payment or performance by it under this Deed:

- (i) be subrogated to any rights, security or moneys held, received or receivable by the Lender (or any trustee or agent on its behalf);
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Chargor's liability under this Clause;
- (iii) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with the Lender (or any trustee or agent on its behalf); or

- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Chargor must hold in trust for and must immediately pay or transfer to the Lender any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Lender under this Clause.

21.7 Release of Chargors' right of contribution

If any Chargor ceases to be a Chargor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Chargor:

- (a) that Chargor will be released by each other Chargor from any liability whatsoever to make a contribution to any other Guarantor arising by reason of the performance by any other Chargor of its obligations under the Finance Documents; and
- (b) each other Chargor will waive any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Lender under any Finance Document or of any other security taken under, or in connection with, any Finance Document where the rights or security are granted by or in relation to the aspects of the retiring Chargor.

21.8 Additional security

- (a) This Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Lender.
- (b) No prior Security held by the Lender (in its capacity as such or otherwise) over any Security Asset will merge into this Security.

21.9 Limitations

The obligations of any Additional Chargor are subject to the limitations (if any) set out in the Deed of Accession executed by that Additional Chargor.

21.10 Security held by Chargor

No Chargor may, without the prior consent of the Lender, hold any Security from any other Obligor in respect of that Chargor's liability under this Deed. Each Chargor will hold any Security held by it in breach of this provision on trust for the Lender.

22. MISCELLANEOUS

22.1 Covenant to pay

Each Chargor must pay or discharge the Secured Obligations in the manner provided for in the Finance Documents.

22.2 Tacking

The Lender must perform its obligations under the Mezzanine Facility Agreement (including any obligation to make available further advances).

22.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, the Lender may open a new account with any Chargor.
- (b) If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Obligation.

22.4 Time deposits

Without prejudice to any right of set-off any Lender may have under any Finance Document or otherwise, if any time deposit matures on any account a Chargor has with the Lender within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which that Lender in its absolute discretion considers appropriate unless that Lender otherwise agrees in writing.

22.5 Notice of assignment

This Deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other member of the Group and contained in any other Transaction Security Document.

22.6 Financial collateral

- (a) To the extent that the assets mortgaged or charged under this Deed constitute “financial collateral” and this Deed and the obligations of the Chargors under this Deed constitute a “security financial collateral arrangement” (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003 no. 3226)) the Lender shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (b) For the purpose of paragraph (a) above, the value of the financial collateral appropriated shall be such amount as the Lender reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

23. RELEASE

At the end of the Security Period, the Lender must, at the request and cost of the Original Chargor, take whatever action is reasonably necessary to release the Security Assets from this Security.

24. COUNTERPARTS

This Deed may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

25. GOVERNING LAW

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

26. ENFORCEMENT

- (a) The courts of England have exclusive jurisdiction to settle any dispute including a dispute relating to non-contractual obligations arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 26 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1**SECURITY ASSETS****Part 1**
Real Property

No.	Chargor	Leasehold	Land Registry Title Number
1.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Alexandra House, Colchester Main Road, Alresford, Colchester (CO7 8AP)	Title number(s) to be assigned by the Land Registry
2.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to (a) 44 Sedgley Road, Woodsetton, Dudley (DY1 4NG) and (b) Land adjoining 44 Sedgley Road, Woodsetton, Dudley (DY1 4NG)	Title number(s) to be assigned by the Land Registry
3.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 46 Sedgley Road, Woodsetton, Dudley (DY1 4NG)	Title number(s) to be assigned by the Land Registry
4.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Ashleigh House, 460 North Road, Darlington (DL1 3AF)	Title number(s) to be assigned by the Land Registry
5.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to (a) 71 Winifred Road, Bedford (MK40 4EP), (b) Land on the northwest side of 71 Winifred Road, Bedford (MK40 4EP), and (c) 69 Winifred Road, Bedford (MK40 4EP)	Title number(s) to be assigned by the Land Registry
6.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group	Title number(s) to be assigned by the Land Registry

EXECUTION VERSION

		Limited in relation to 1 Gorge Road, Dudley (DY3 1LF)	
7.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 1 Bealeys Lane, Walsall (WS3 2JT)	Title number(s) to be assigned by the Land Registry
8.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to (a) Berrywood Lodge, 25-33 Berrywood Road, Northampton (NN5 6XA) and (b) Land at Berrywood Lodge, 25-33 Berrywood Road, Northampton (NN5 6XA)	Title number(s) to be assigned by the Land Registry
9.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 103-104 Stourport Road, Kidderminster (DY11 7BQ)	Title number(s) to be assigned by the Land Registry
10.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 66 St Georges Avenue, Northampton (NN2 6JA)	Title number(s) to be assigned by the Land Registry
11.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Famille House, 4 Station Road, Kirby Muxloe, (LE9 2EJ)	Title number(s) to be assigned by the Land Registry
12.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Fairholme Care Residential Home, 134-138 Beach Road, South Shields (NE33 2NE)	Title number(s) to be assigned by the Land Registry
13.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 633 Uxbridge Road, Pinner (HA5 3PT)	Title number(s) to be assigned by the Land Registry

EXECUTION VERSION

- | | | | |
|-----|-----------------------------|---|---|
| 14. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to (a) 70 Grove Road, Tiptree, Colchester (CO5 0JJ) and (b) Land at 70 Grove Road, Tiptree, Colchester (CO5 0JJ) | Title number(s) to be assigned by the Land Registry |
| 15. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 16-18 Beach Road, Harwich (CO12 3RP) | Title number(s) to be assigned by the Land Registry |
| 16. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 54-56 Coalway Road, Penn, Wolverhampton (WV3 7LZ) | Title number(s) to be assigned by the Land Registry |
| 17. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to The Highlands, Durham Road, Birtley, Chester Le Street (DH3 1LY) | Title number(s) to be assigned by the Land Registry |
| 18. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Honeysuckle Farm, Desford Road, Newtown Unthank, Leicester (LE9 9FL) | Title number(s) to be assigned by the Land Registry |
| 19. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 115 Southchurch Boulevard, Southend-On-Sea (SS2 4UR) | Title number(s) to be assigned by the Land Registry |
| 20. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 35 Larches Road, Kidderminster (DY11 7AB) | Title number(s) to be assigned by the Land Registry |
| 21. | Pathways Care Group Limited | The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group | Title number(s) to be assigned by the Land Registry |

EXECUTION VERSION

		Limited in relation to 578 Ipswich Road, Colchester (CO4 9HB)	
22.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 187 Rockingham Road, Kettering (NN16 9JA)	Title number(s) to be assigned by the Land Registry
23.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 165 Putnoe Lane, Bedford (MK41 8LX)	Title number(s) to be assigned by the Land Registry
24.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 13 Park Road, Colchester (CO3 3UL)	Title number(s) to be assigned by the Land Registry
25.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Ridgemont House, Low Road, Dovercourt, Harwich (CO12 3TS)	Title number(s) to be assigned by the Land Registry
26.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 128 Franche Road, Kidderminster (DY11 5BE)	Title number(s) to be assigned by the Land Registry
27.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Rutland Villa, 62 Chesshire Avenue, Stourport-On-Severn (DY13 0EA)	Title number(s) to be assigned by the Land Registry
28.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 31 London Road, Kettering (NN16 0EF)	Title number(s) to be assigned by the Land Registry
29.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group	Title number(s) to be assigned by the Land Registry

EXECUTION VERSION

		Limited in relation to 9 Nursery Close, Stanway, Colchester (CO3 0RL)	
30.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to Thurston House, 90 High Street, Newport Pagnell (MK16 8EH)	Title number(s) to be assigned by the Land Registry
31.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 636 High Street, Kingswinford (DY6 8AJ)	Title number(s) to be assigned by the Land Registry
32.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to (a) 388-390 Westborough Road, Westcliff-On-Sea (SS0 9TN) and (b) 390 Westborough Road, Westcliff-On-Sea (SS0 9TN)	Title number(s) to be assigned by the Land Registry
33.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 67 Somerset Road, Basildon (SS15 6PP)	Title number(s) to be assigned by the Land Registry
34.	Pathways Care Group Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Care Group Limited in relation to 34 Walsall Street, Willenhall (WV13 2ER)	Title number(s) to be assigned by the Land Registry
35.	Newlife Care Services Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Newlife Care Services Limited in relation to East Farm House, Manor Road, Consett (DH8 6QL)	Title number(s) to be assigned by the Land Registry
36.	Newlife Care Services Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Newlife Care Services Limited in relation to 1 and 2 Stocksfield Square, Mount View Terrace, Stocksfield (NE43 7HL)	Title number(s) to be assigned by the Land Registry
37.	Newlife Care Services Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Newlife Care Services	Title number(s) to be assigned by

EXECUTION VERSION

		Limited in relation to 27-29 New Ridley Road, Stocksfield (NE43 7EY)	the Land Registry
38.	Pathways Daycare Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Pathways Daycare Limited in relation to 115 Pershore Road, Birmingham (B5 7NX)	Title number(s) to be assigned by the Land Registry
39.	Modus Care Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Modus Care Limited in relation to Tobias House, 8 St Margarets Road, Torquay (TQ1 4NW)	Title number(s) to be assigned by the Land Registry
40.	Modus Care Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Modus Care Limited in relation to Westbrooke Grange, Lummaton Cross, Torquay (TQ2 8ET)	Title number(s) to be assigned by the Land Registry
41.	Modus Care Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Modus Care Limited in relation to 12 Grosvenor Road, Paignton (TQ4 5AY)	Title number(s) to be assigned by the Land Registry
42.	Modus Care Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Modus Care Limited in relation to Penhayes Retirement Home, Kenton, Exeter (EX6 8JB)	Title number(s) to be assigned by the Land Registry
43.	Modus Care Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Modus Care Limited in relation to Wixenford House, Colesdown Hill, Plymouth (PL9 8AA)	Title number(s) to be assigned by the Land Registry
44.	Modus Care Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Modus Care Limited in relation to Kazdin House, Selway Lodge, Tamerton Foliot Road, Plymouth (PL6 5ES)	Title number(s) to be assigned by the Land Registry
45.	Modus Care Limited	The lease to be entered into on or around the date hereof between Link Corporate Trustees (UK) Limited and Modus Care Limited in relation to 58 Albert Road, Plymouth (PL2 1AE)	Title number(s) to be assigned by the Land Registry

**Part 2
Shares**

Chargor	Name of company in which shares are held	Name of nominee (if any) by whom shares are held	Class of shares held	Number of shares held
Pathways Care Group Limited	N/A	N/A	N/A	N/A
Newlife Care Services Limited	N/A	N/A	N/A	N/A
Modus Care Limited	N/A	N/A	N/A	N/A
Pathways Daycare Limited	N/A	N/A	N/A	N/A

Part 3
Relevant Contracts

Chargor	Description
Pathways Care Group Limited	None
Newlife Care Services Limited	None
Modus Care Limited	None
Pathways Daycare Limited	None

Part 4
Intellectual Property

Chargor	Description
Pathways Care Group Limited	None
Newlife Care Services Limited	None
Modus Care Limited	None
Pathways Daycare Limited	None

SCHEDULE 2

FORMS OF LETTER FOR SECURITY ACCOUNTS

Part 1

Form of notice to Account Bank

To: [Account Bank]

Copy: VGO Special Situations I (Luxembourg) S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

[Date]

Dear Sirs,

Security agreement dated [●] August 2018 (the “Security Agreement”) between, among others, Pathways Care Group Limited and VGO Special Situations I (Luxembourg) S.à r.l. (the “Lender”)

This letter constitutes notice to you that under the Security Agreement [the company / each of the companies] which has signed this notice (the “Chargor[s]”) has charged (by way of a first floating charge) in favour of the Lender all of its rights in respect of any amount standing to the credit of [the / any] account maintained by it with you [at any of your branches] ([the / each a] “Security Account”) and the debt[s] represented by the Security Account[s].

We irrevocably instruct and authorise you to:

- (a) disclose to the Lender any information relating to [the / any] Security Account requested from you by the Lender;
- (b) comply with the terms of any written notice or instruction relating to [the / any] Security Account received by you from the Lender; and
- (c) pay all sums received by you for the account of [the / any] Chargor to the credit of the [relevant] Security Account of [the / that] Chargor with you.

We further irrevocably instruct and authorise you to, after you have received a written notice or instruction from the Lender (as contemplated in paragraph (b) above) which states that the floating charge[s] referred to above [has / have] been converted into [a] fixed charge[s]:

- (a) hold all sums standing to the credit of [the / any] Security Account to the order of the Lender; and
- (b) pay or release any sum standing to the credit of [the / any] Security Account in accordance with the written instructions of the Lender.

We acknowledge that you may comply with the instructions in this letter without any further permission from us and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

EXECUTION VERSION

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

Please send to the Lender at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg (with a copy to [the Chargor / Saludem LD Bidco Limited] at The Copse, Alcocks Lane, Kingswood, Tadworth KT20 6BB) the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

Yours faithfully,

.....
[•]

Part 2
Form of acknowledgement of Account Bank

To: VGO Special Situations I (Luxembourg) S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

Copy: [Chargor]
[Chargor's registered address]

[Date]

Dear Sirs,

Security agreement dated [●] August 2018 between, among others, Pathways Care Group Limited and VGO Special Situations I (Luxembourg) S.à r.l. (the "Security Agreement")

We confirm receipt from [●] (the "Chargor[s]") of a notice dated [●] of a charge upon the terms of the Security Agreement over all the rights of [the / each] Chargor to any amount standing to the credit of [the / any of] its account[s] with us at any of our branches ([each a / the] "Security Account[s]").

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Security Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Security Account; and
- (d) will pay all sums received by us for the account of [the / any] Chargor to a Security Account of [the / that] Chargor with us.

We further confirm that, after we have received a written notice or instruction from the Lender (as contemplated in paragraph (b) of the notice) which states that the floating charge[s] referred to in the notice [has / have] been converted into [a] fixed charge[s], we will:

- (e) not permit any amount to be withdrawn from [the / any] Security Account without your prior written consent;
- (f) hold all sums standing to the credit of [the / any] Security Account to the order of the Lender; and
- (g) pay or release any sum standing to the credit of [the / any] Security Account in accordance with the written instructions of the Lender.

Nothing contained in any of our arrangements with you shall commit us to providing any facilities or making advances available to [any of] the Chargor[s].

EXECUTION VERSION

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

Yours faithfully,

.....
[ACCOUNT BANK]

SCHEDULE 3

FORMS OF LETTER FOR INSURANCES

Part 1

Form of notice to insurer

To: [Insurer]

Copy: VGO Special Situations I (Luxembourg) S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

[Date]

Dear Sirs,

Security agreement dated [●] August 2018 (the “Security Agreement”) between, among others, Pathways Care Group Limited and VGO Special Situations I (Luxembourg) S.à r.l. (the “Lender”)

This letter constitutes notice to you that under the Security Agreement, [the company / each of the companies] which has signed (the “Chargor[s]”) has assigned in favour of the Lender all amounts payable to it under or in connection with any contract of insurance taken out with you by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts.

A reference in this letter to any amounts excludes all amounts received or receivable under or in connection with any third party liability insurance and required to settle a liability of [the / a] Chargor to a third party.

We confirm that:

- (a) [we / each Chargor] will remain liable under each such contract of insurance to perform all the obligations assumed by it under that contract of insurance; and
- (b) none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of any such contract of insurance.

[We / each Chargor] will also remain entitled to exercise all of its rights under each such contract of insurance and you should continue to give notices under each such contract of insurance to [us / the relevant Chargor], unless and until you receive notice from the Lender to the contrary stating that the security created under the Security Agreement has become enforceable. In this event, unless the Lender otherwise agrees in writing:

- (a) all amounts payable to [us / the relevant Chargor] under each such contract of insurance must be paid to the Lender; and
- (b) any [of our] rights [of the relevant Chargor] in connection with those amounts will be exercisable by, and notices must be given to, the Lender or as it directs.

EXECUTION VERSION

Please note that [we have / each of the Chargors] has agreed that [we / it] will not amend or waive any term of or terminate any such contract of insurance without the prior consent of the Lender.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

Please note on the relevant contracts the Lender's interest as loss payee and the Lender's interest as first priority assignee of those amounts and rights and send to the Lender at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg (with a copy to [the Chargor / Saludem LD Bidco Limited] at The Copse, Alcocks Lane, Kingswood, Tadworth KT20 6BB) the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

We acknowledge that you may comply with the instructions in this letter without any further permission from us and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

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

Yours faithfully,

.....
[•]

Part 2
Form of acknowledgement of insurer

To: VGO Special Situations I (Luxembourg) S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

Copy: [Chargor]
[Chargor's registered address]

[Date]

Dear Sirs,

Security agreement dated [●] August 2018 (the “Security Agreement”) between, among others, Pathways Care Group Limited and VGO Special Situations I (Luxembourg) S.à r.l. (the “Lender”)

We confirm receipt from [●] (the “Chargor[s]”) of a notice dated [●] of an assignment by [the / each] Chargor upon the terms of the Security Agreement of all amounts payable to it under or in connection with any contract of insurance taken out with us by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts.

A reference in this letter to any amounts excludes all amounts received or receivable under or in connection with any third party liability insurance and required to settle a liability of [the / a Chargor] to a third party.

In consideration of your agreeing to the Chargor[s or any of them] continuing their insurance arrangements with us we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) confirm that we have not received notice of the interest of any third party in those amounts and rights;
- (c) undertake to note on the relevant contracts your interest as loss payee and as first priority assignee of those amounts and rights;
- (d) undertake to disclose to you without any reference to or further authority from [the / any] Chargor any information relating to those contracts which you may at any time request;
- (e) undertake to notify you of any breach by [the / any] Chargor of any of those contracts and to allow you or any of the other Lender to remedy that breach; and
- (f) undertake not to amend or waive any term of or terminate any of those contracts on request by [the / any] Chargor without your prior written consent.

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

Yours faithfully,

.....
[INSURER]

SCHEDULE 4

FORMS OF LETTER FOR RELEVANT CONTRACTS

Part 1

Form of notice to counterparty

To: [Counterparty]

Copy: VGO Special Situations I (Luxembourg) S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

[Date]

Dear Sirs,

Security agreement dated [●] August 2018 (the “Security Agreement”) between, among others, Pathways Care Group Limited and VGO Special Situations I (Luxembourg) S.à r.l. (the “Lender”)

This letter constitutes notice to you that under the Security Agreement, [the company / each of the companies] which has signed this notice (the “Chargor[s]”) has assigned in favour of the Lender all of its rights in respect of [Relevant Contract[s]] (the “Relevant Contract[s]”).

We confirm that:

- (a) [we / each Chargor] will remain liable under [the / each] Relevant Contract [to which it is a party] to perform all the obligations assumed by [us / it] under [the / that] Relevant Contract; and
- (b) none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of [the / any] Relevant Contract.

[We / each Chargor] will also remain entitled to exercise all of [our / its] rights under [the / each] Relevant Contract [to which it is a party] and you should continue to give notice under [the / each such] Relevant Contract to [us / the relevant Chargor], unless and until you receive notice from the Lender to the contrary stating that the security created under the Security Agreement has become enforceable. In this event, all of its rights will be exercisable by, and notices must be given to, the Lender or as it directs.

Please note that [we have / each of the Chargors has] agreed that [we / it] will not amend or waive any term of or terminate [any of] the Relevant Contract[s] without the prior consent of the Lender.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

Please send to the Lender at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg (with a copy to [the Chargor / Salutem LD Bidco Limited] at The Copse, Alcocks

EXECUTION VERSION

Lane, Kingswood, Tadworth KT20 6BB) the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

We acknowledge that you may comply with the instructions in this letter without any further permission from us and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

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

Yours faithfully,

.....
[•]

Part 2
Form of acknowledgement of counterparty

To: VGO Special Situations I (Luxembourg) S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

Copy: [Chargor]
[Chargor's registered address]

[Date]

Dear Sirs,

Security agreement dated [●] August 2018 between, among others, Pathways Care Group Limited and VGO Special Situations I (Luxembourg) S.à r.l. (the "Security Agreement")

We confirm receipt from [●] (the "Chargor[s]") of a notice dated [●] of an assignment on the terms of the Security Agreement of all of [the / each] Chargor's rights in respect of [*Relevant Contract(s)*] (the "Relevant Contract[s]").

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in [any of] the Relevant Contract[s];
- (c) undertake to disclose to you without any reference to or further authority from [the / any] Chargor any information relating to [any of] the Relevant Contract[s] which you may at any time request;
- (d) undertake to notify you of any breach by [the / any Chargor] of [any of] the Relevant Contract[s] and to allow you to remedy that breach; and
- (e) undertake not to amend or waive any term of or terminate [any of] the Relevant Contract[s] on request by [the / any Chargor] without your prior written consent.

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

Yours faithfully,

.....
[COUNTERPARTY]

SCHEDULE 5

FORM OF DEED OF ACCESSION

THIS DEED is dated [●] and made **BETWEEN**:

- (1) [●], registered in England and Wales with company number [●] (the “**Additional Chargor**”);
- (2) **PATHWAYS CARE GROUP LIMITED**, registered in England and Wales with company number 03409137;
- (3) **NEWLIFE CARE SERVICES LIMITED**, registered in England and Wales with company number 02791815;
- (4) **MODUS CARE LIMITED**, registered in England and Wales with company number 03983561;
- (5) **PATHWAYS DAYCARE LIMITED**, registered in England and Wales with company number 03673819 (each an “**Original Chargor**”, and together the “**Original Chargors**”); and
- (6) **VGO SPECIAL SITUATIONS I (LUXEMBOURG) S.À R.L.**, a private limited liability company (société à responsabilité limitée) registered with the Registre de Commerce et des Sociétés in Luxembourg with registered number B180349 and its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg (the “**Lender**”).

BACKGROUND:

- (A) The Original Chargors have entered into a security agreement dated [●] August 2018 (the “**Security Agreement**”) between the Original Chargors and the Lender.
- (B) The Additional Chargor has agreed to enter into this Deed and to become a Chargor under the Security Agreement. The Additional Chargor will also, by execution of a separate instrument, become a party to the Intercreditor Agreement.
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

Terms defined in the Security Agreement have the same meaning in this Deed unless given a different meaning in this Deed. This Deed is a Finance Document.

2. ACCESSION

With effect from the date of this Deed the Additional Chargor:

- (a) will become a party to the Security Agreement as a Chargor; and

- (b) will be bound by all the terms of the Security Agreement which are expressed to be binding on a Chargor.

3. SECURITY

- (a) Paragraphs (b) to (g) below apply without prejudice to the generality of Clause 2 (*Accession*).
- (b) All this Security:
 - (i) is created in favour of the Lender;
 - (ii) is security for the payment, discharge and performance of all the Secured Obligations; and
 - (iii) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c) If the Additional Chargor assigns an agreement under this Deed (or charges it by way of a first fixed charge) and the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
 - (i) the Additional Chargor must notify the Lender immediately;
 - (ii) unless the Lender otherwise requires, the Additional Chargor must, and the Original Chargors must ensure that the Additional Chargor will, use all reasonable endeavours to obtain the consent as soon as practicable; and
 - (iii) the Additional Chargor must promptly supply to the Lender a copy of the consent obtained by it.
- (d) The fact that no or incomplete details of any Security Asset are inserted in the schedule does not affect the validity or enforceability of this Security.
- (e) The Additional Chargor:
 - (i) charges by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it and specified in part 1 of the schedule to this Deed;
 - (ii) charges by way of a first legal mortgage all shares owned by it and specified in part 2 of the schedule to this Deed;
 - (iii) charges by way of a first fixed charge all plant, machinery, computers, office equipment or vehicles owned by it;
 - (iv) assigns absolutely, subject to a proviso for reassignment on redemption, all of its rights in respect of the agreements specified in part 4 of the schedule to this Deed; and

- (v) charges by way of a first fixed charge all of its rights in respect of any Intellectual Property specified in part 5 of the schedule to this Deed.
- (f) The Additional Chargor consents to a restriction in the following terms being entered into on the register of title relating to any Mortgaged Property registered at the Land Registry:

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the security agreement dated [●] August 2018 in favour of VGO Special Situations I (Luxembourg) S.à r.l. referred to in the charges register or their conveyancer.”

- (g) The Additional Chargor applies to the Chief Land Registrar for a notice in the following terms to be entered on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

“The lender under a mezzanine facility agreement dated 21 April 2017 between, among others, Salutem LD Bidco Limited and VGO Special Situations I (Luxembourg) S.à r.l. is under an obligation (subject to the terms of that mezzanine facility agreement) to, among others, Salutem LD Bidco Limited to make further advances and the security agreement referred to in the charges register dated [●] August 2018 in favour of VGO Special Situations I (Luxembourg) S.à r.l. secures those further advances.”

4. MISCELLANEOUS

With effect from the date of this Deed:

- (a) the Security Agreement will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the Security created on this accession will be created on the date of this Deed);
- (b) any reference in the Security Agreement to this Deed and similar phrases will include this Deed and all references in the Security Agreement to “Schedule 1” (or any part of it) will include a reference to the schedule to this Deed (or relevant part of it); and
- (c) each of the Original Chargors agrees to all matters provided for in this Deed.

5. LAW

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

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE

**Part 1
Real Property**

Freehold / Leasehold

[•]

Description

[•]

**Part 2
Shares**

Name of company in which shares are held	Name of nominee (if any) by whom shares are held	Class of shares held	Number of shares held
[●]	[●]	[●]	[●]

Part 3
Relevant Contracts

Description

[●]

Part 4
Intellectual Property

Description

[●]

SIGNATURES TO DEED OF ACCESSION

Additional Chargor

EXECUTED and DELIVERED)
as a DEED by [●])
)
)

Name:

Title:

In the presence of:

Signature:

Name:

Address:

.....

Occupation:

Original Chargor

EXECUTED and DELIVERED)
as a DEED by PATHWAYS CARE)
GROUP LIMITED)
)

Name:

Title:

In the presence of:

Signature:

Name:

Address:

.....

EXECUTION VERSION

Occupation:

Original Chargor

EXECUTED and DELIVERED)
as a DEED by NEWLIFE CARE)
SERVICES LIMITED)
)

Name:

Title:

In the presence of:

Signature:

Name:

Address:

.....

Occupation:

Original Chargor

EXECUTED and DELIVERED)
as a DEED by MODUS CARE)
LIMITED)
)

Name:

Title:

In the presence of:

Signature:

Name:

Address:

.....

Occupation:

Original Chargor

EXECUTED and DELIVERED)
as a DEED by PATHWAYS DAYCARE)
LIMITED)
)

Name:

Title:

In the presence of:

Signature:

Name:

Address:

.....

Occupation:

Lender

EXECUTED and DELIVERED)
as a DEED by VGO SPECIAL)
SITUATIONS I (LUXEMBOURG))
S.À R.L.)

Name:

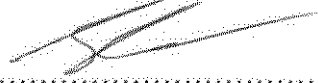
Title:

SIGNATURES TO SECURITY AGREEMENT

Chargor

EXECUTED and DELIVERED
as a DEED by PATHWAYS CARE
GROUP LIMITED

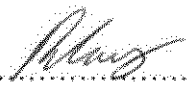
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.....

Name: John Godwin

Title: Director

In the presence of:

Signature: 
.....

Name: Richard Hong
.....

Address:
.....

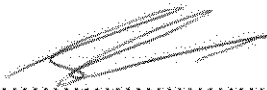
Occupation: Solicitor
.....

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Chargor

EXECUTED and DELIVERED
as a DEED by NEWLIFE CARE
SERVICES LIMITED

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)
)
)


.....

Name: John Godwin

Title: Director

In the presence of:

Signature: 
.....

Name: Richard Hong
.....

Address:
.....

Occupation: Solicitor
.....

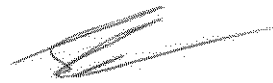
CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

EXECUTION VERSION

Chargor

EXECUTED and DELIVERED
as a **DEED** by **MODUS CARE**
LIMITED

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)



Name: John Godwin

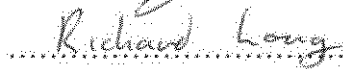
Title: Director

In the presence of:

Signature:



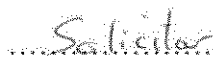
Name:



Address:

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Occupation:

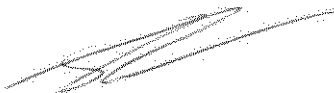


CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

Chargor

EXECUTED and DELIVERED
as a **DEED** by **PATHWAYS DAYCARE**
LIMITED

)
)
)
)



Name: John Godwin

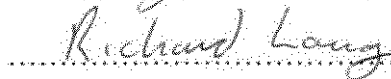
Title: Director

In the presence of:

Signature:



Name:



Address:

.....

Occupation:



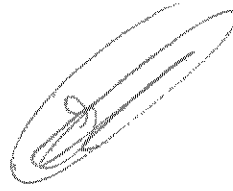
CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place,
78 Cannon Street,
London
EC4N 6AF

EXECUTION VERSION

Lender

EXECUTED and DELIVERED
as a **DEED** by **VGO SPECIAL**
SITUATIONS I (LUXEMBOURG)
S.À R.L.

)
)
)
)
)



.....
Name: Ann Lavrysen

Title: Manager A



.....
Name: Michel Martin

Title: Manager B