

**Declaration in relation to
assistance for the acquisition
of shares.**

155(6)a

Please do not
write in this
margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

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05842381

Name of company

Note
Please read the notes
on page 3 before
completing this form.

* FOUR SEASONS (H2) LIMITED (THE "COMPANY")

* insert full name
of company

I/We SEE ANNEXURE A

Ø insert name(s) and
address(es) of all
the directors

† delete as
appropriate

~~[the sole director]~~ ~~[all the directors]~~† of the above company do solemnly and sincerely declare that:

The business of the company is:

(a) ~~that of a [recognised bank]~~ ~~[licensed institution]~~† within the meaning of the Banking Act 1979§

§ delete whichever
is inappropriate

(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom~~§

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in
the ~~[company]~~ ~~[company's holding company]~~ _____

FOUR SEASONS HEALTH CARE Limited]†

The assistance is for the purpose of ~~[that acquisition]~~ ~~[reducing or discharging a liability incurred for the
purpose of that acquisition]~~.†

The number and class of the shares acquired or to be acquired is: 220,032,673 ORDINARY - A
SHARES OF £1.00 EACH

Presenter's name address and
reference (if any):

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM (UK) LLP
40 BANK STREET, CANARY
WHARF, LONDON E14 5DS

For official Use
General Section



The assistance is to be given to: (note 2) MERICOURT LIMITED

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

The assistance will take the form of:

SEE ANNEXURE B

The person who ~~has acquired~~ [will acquire]† the shares is:

† delete as
appropriate

MERICOURT LIMITED

The principal terms on which the assistance will be given are:

SEE ANNEXURE C

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ NIL

The date on which the assistance is to be given is Within 8 weeks of this statutory declaration

Page 2

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

* delete either (a) or
(b) as appropriate

I/We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) [I/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]*(note 3)

~~(b) [It is intended to commence the winding up of the company within 12 months of that date, and I/we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]*(note 3)~~

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 40 BANK STREET
LONDON E14 5DS

on Day Month Year

1	9	1	0	2	0	0	6
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before me MC N DE SILVA

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

Declarants to sign below



NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Annexure A to Companies Form 155(6)a
Declaration by all the directors of the Company
in relation to assistance for acquisition of shares in the Company's holding company

The directors of the Company are:

DIRECTOR	ADDRESS
Nicholas John Mitchell	Lymbrook 53 Dore Road Dore Sheffield S17 3NA
Dominic Jude Kay	4 Glyn Avenue Hale Cheshire WA15 9DG
Anthony George Heywood	Harborough Hall Harborough Hall Lane Messing Colchester, Essex CO5 9UA

Annexure B to Companies Form 155(6)a
Declaration by all the directors of the Company
in relation to assistance for acquisition of shares in the Company's holding company

Unless otherwise defined in this Annexure B, capitalised terms used in this Annexure B shall have the meaning given to those terms in Annexure D to this Companies Form 155(6)a.

Form of Financial Assistance

The financial assistance will take the form of the execution and delivery, accession to, or (as the case may be) removal of the Financial Assistance Limitation under, and performance by the Company of its obligations under, each of the following documents to which it is a party:

1. A £1,348,000,000 senior term and revolving facilities agreement dated 31 August 2006 and made between, amongst others, Fino Seniorco Limited as Borrower and Guarantor (each as defined therein), Fino Propco Holdco Limited and Blitz 06-137 GmbH as original guarantors and Credit Suisse, London Branch ("**Credit Suisse**") as Arranger, Agent and Security Trustee (each as defined therein) (the "**Credit Suisse Facilities Agreement**").
2. A £165,000,000 PIK facility agreement dated 31 August 2006 and made between, amongst others, Fino Seniorco Limited as Borrower and Guarantor (each as defined therein), Fino Propco Holdco Limited and Blitz 06-137 GmbH as original guarantors and The Royal Bank of Scotland plc as Lead Arranger and Agent (each as defined therein), and Royal Bank Investments Limited as Lender (as defined therein) (the "**RBS PIK Facility Agreement**").
3. A £60,000,000 PIK facility agreement dated 31 August 2006 and made between, amongst others, Fino Seniorco Limited as Borrower and Guarantor (each as defined therein), Fino Propco Holdco Limited and Blitz 06-137 GmbH as original guarantors, Allianz Capital Partners Holding GmbH as Agent, ACP Vermoegensverwaltung GmbH & Co KG Nr. 3 and ACP Beteiligungstreuhand GmbH as Original Lenders (each as defined therein) (the "**Allianz PIK Facility Agreement**").
4. An intercreditor agreement dated 31 August 2006 and made between, amongst others, Fino Seniorco Limited, Fino Propco Holdco Limited, Fino Mezzco Limited, Blitz 06-137 GmbH, Allianz Capital Holdings GmbH, The Royal Bank of Scotland plc and Credit Suisse pursuant to which, among other things, certain of the parties thereto will agree to subordinate their rights to repayment of monies due to them from the Company in certain circumstances and the parties thereto will agree to the ranking of priority between certain creditors of Fino Seniorco Limited and its subsidiaries (the "**Intercreditor Agreement**" and, together with the Credit Suisse Facilities Agreement, the RBS PIK Facility Agreement and the Allianz PIK Facility Agreement, the "**Facility Documents**").
5. An English law intra-group loan agreement (the "**Seniorco Intra-Group Loan Agreement**") to be entered into between Fino Seniorco Limited and certain of its subsidiaries pursuant to which funds will be lent to Fino Seniorco Limited.

6. An English law security deed dated 6 September 2006 and made between FSHC Properties (BIR) Limited as Chargor (as defined therein) and Credit Suisse, pursuant to which the Chargor (as defined therein) granted fixed and floating charges over its assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
7. An English law security deed dated 6 September 2006 and made between Four Seasons Health Care Properties (Frenchay) Limited as Chargor (as defined therein) and Credit Suisse, pursuant to which the Chargor (as defined therein) granted fixed and floating charges over its assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
8. A Scots law standard security deed entered into by FSHC Properties (BIR) Limited on 6 September 2006, pursuant to which FSHC Properties (BIR) Limited granted a standard security over the Security Subjects (as defined therein) in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the payment and discharge of the obligations owed by each Obligor (as defined in the Intercreditor Agreement) to the Secured Creditors.
9. A Scots law assignment of rental income entered into by FSHC Properties (BIR) Limited on 6 September 2006, pursuant to which it assigned its whole right, title and interest, present and future, in and to the rent and all other monies due and to become due to it in terms of the lease or leases of the Property (as defined therein), to and in favour of the Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
10. An English law security deed to be entered into between Acegold Limited, Alliance Care (Dales Homes) Limited, Alliance Care (Trendlewood) Limited, Alliance Care (Woodside) Limited, Atlas Healthcare Limited, Bewick Waverley Limited, Cedarhurst Lodge Limited, Chapelfield View Limited, Chestnut Lodge Limited, Cotswold Spa Retirement Hotels Limited, County Healthcare Group Limited, County Healthcare Limited, Doulton Court Limited, Dounemead Limited, Edgewater Lodge Limited, Four Seasons (Bamford) Limited, Four Seasons (DFK) Limited, Four Seasons (Evedale) Limited, Four Seasons (Granby Care) Limited, Four Seasons (H2) Limited, Four Seasons (JB) Limited, Four Seasons (JDM) Limited, Four Seasons (No. 11) Limited, Four Seasons (No. 12) Limited, Four Seasons (No. 13) Limited, Four Seasons (No. 14) Limited, Four Seasons 2000 Limited, Four Seasons Beechcare Limited, Four Seasons Group Holdings Limited, Four Seasons Health Care (BC) Limited, Four Seasons Health Care (Capital) Limited, Four Seasons Health Care Group Limited, Four Seasons Health Care Holdings Limited, Four Seasons Health Care Investments Limited, Four Seasons Health Care Limited, Four Seasons Homes (Ilkeston) Limited, Four Seasons Homes No. 3 Limited, Four Seasons Homes No. 4 Limited, Four Seasons Homes No. 6 Limited, Four Seasons NWMC Housing Limited, Four Seasons NWMC Limited, Four Seasons Property Management Limited, Four Seasons Rosedale Limited, FSHC (UK) Limited, FSHC Holdings (UK) Limited, FSHC Management Services (Galashiels) Limited, FSHC Opco Acquisitions Limited, Granby at Home Limited, Granby Care Limited, Granby Holdings Limited, Grandcross Limited, Guthrie Court Limited, Huntercombe Manor Limited, Keelex 115 Limited, Keslaw Limited, Laudcare Limited, Leeland

Limited, Lisnisky Limited, Lunan House Limited, Maldcare Limited, Meadowvale Care Limited, Mericourt Limited, Osborne Limited, Principal Healthcare plc, Ringdane Limited, Roseguard Properties Limited, Rosevale Lodge Limited, Saintfield Limited, Springfield House (Oaken) 2001 Limited, Tamaris (RAM) Limited, Tamaris (South East) Limited, Tamaris Healthcare (England) Limited, Tamcare Limited, Tameng Care Limited, Tamhealth Limited, Tammillec Limited, Tamscot Care Limited, Tamulst Care Limited, The Belmont Nursing Home Limited, Westview Lodge Limited, Four Seasons (JRC) Limited (formerly known as Bettercare Group Limited), Four Seasons (No. 10) Limited, Four Seasons (No. 7) Limited, Four Seasons (No. 8) Limited, Four Seasons (No. 9) Limited, FSHC Management Services (CM) Limited, Duncare Limited, Fife Health Care Limited, Fife Nursing Homes Limited, Fife Nursing Services Limited, Forebank Limited, Four Seasons Health Care (Scotland) Limited and Tamaris (Scotland) Limited as Chargors (as defined therein) and Credit Suisse, pursuant to which the Chargors (as defined therein) will grant fixed and floating charges over their assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).

11. A Northern Irish law security deed to be entered into between Four Seasons Homes No. 3 Limited, Four Seasons (JRC) Limited (formerly known as Bettercare Group Limited), Four Seasons (No. 10) Limited, Four Seasons (No. 7) Limited, Four Seasons (No. 8) Limited, Four Seasons (No. 9) Limited and FSHC Management Services (CM) Limited as Chargors (as defined therein) and Credit Suisse, pursuant to which the Chargors (as defined therein) will grant fixed and floating charges over their assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
12. A Northern Irish share charge to be entered into between Four Seasons Health Care (BC) Limited (over the shares of Four Seasons (JRC) Limited (formerly known as Bettercare Group Limited)), Four Seasons Group Holdings Limited (over the shares in Four Seasons (No. 10) Limited, Four Seasons (No. 7) Limited, Four Seasons (No. 8) Limited and Four Seasons (No. 9) Limited) and Four Seasons Health Care (Northern Ireland) Limited (over the shares in FSHC Management Services (CM) Limited).
13. A Scots law floating charge to be entered into by Duncare Limited as Chargor (as defined therein) in favour of Credit Suisse, pursuant to which the Chargor (as defined therein) will grant a floating charge over its assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
14. A Scots law floating charge to be entered into by Fife Health Care Limited as Chargor (as defined therein) in favour of Credit Suisse, pursuant to which the Chargor (as defined therein) will grant a floating charge over its assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
15. A Scots law floating charge to be entered into by Forebank Limited as Chargor (as defined therein) in favour of Credit Suisse, pursuant to which the

Chargor (as defined therein) will grant a floating charge over its assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).

16. A Scots law floating charge to be entered into by Four Seasons Health Care (Scotland) Limited as Chargor (as defined therein) in favour of Credit Suisse, pursuant to which the Chargor (as defined therein) will grant a floating charge over its assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
17. A Scots law floating charge to be entered into by Tamaris (Scotland) Limited as Chargor (as defined therein) in favour of Credit Suisse, pursuant to which the Chargor (as defined therein) will grant a floating charge over its assets and undertaking in favour of Credit Suisse as Security Trustee for the Secured Creditors to secure the discharge of the Secured Liabilities (as defined therein).
18. A Scots law share pledge to be entered into by Tamaris (Scotland) Limited (over the shares in Duncare Limited) in favour of Credit Suisse.
19. A Scots law share pledge to be entered into by Four Seasons Health Care (Capital) Limited (over the shares in Fife Health Care Limited) in favour of Credit Suisse as Security Trustee.
20. A Scots law share pledge to be entered into by Four Seasons Group Holdings Limited (over the shares in Fife Nursing Homes Limited) in favour of Credit Suisse as Security Trustee.
21. A Scots law share pledge to be entered into by Four Seasons Health Care Group Limited (over the shares in Forebank Limited) in favour of Credit Suisse as Security Trustee.
22. A Scots law share pledge to be entered into by Four Seasons Group Holdings Limited (over the shares in Four Seasons Health Care (Scotland) Limited) in favour of Credit Suisse as Security Trustee.
23. A Scots law share pledge to be entered into by Four Seasons Health Care Group Limited (over the shares in Tamaris (Scotland) Limited) in favour of Credit Suisse as Security Trustee.
24. A Jersey law share pledge to be granted by Four Seasons Group Holdings Limited (over the shares of Sandown Care Services (Jersey) Limited) in favour of Credit Suisse as Security Trustee.
25. An Isle of Man share charge to be granted by FSHC (UK) Limited (over the shares in Four Seasons Health Care (England) Limited) in favour of Credit Suisse as Security Trustee.
26. An Isle of Man share charge to be granted by FSHC (UK) Limited (over the shares in Four Seasons Health Care (Isle of Man) Limited) in favour of Credit Suisse as Security Trustee.

27. An accession letter dated 6 September 2006 from FSHC Properties (BIR) Limited in relation to the Credit Suisse Facilities Agreement and the Intercreditor Agreement.
28. An accession letter dated 6 September 2006 from Four Seasons Health Care Properties (Frenchay) Limited in relation to the Credit Suisse Facilities Agreement and the Intercreditor Agreement.
29. An accession letter from FSHC Properties (BIR) Limited in relation to the RBS PIK Facility Agreement and the Allianz PIK Facility Agreement.
30. An accession letter from Four Seasons Health Care Properties (Frenchay) Limited in relation to the RBS PIK Facility Agreement and the Allianz PIK Facility Agreement.
31. An accession letter from Acegold Limited in relation to the Facility Documents.
32. An accession letter from Alliance Care (Dales Homes) Limited in relation to the Facility Documents.
33. An accession letter from Alliance Care (Trendlewood) Limited in relation to the Facility Documents.
34. An accession letter from Alliance Care (Woodside) Limited in relation to the Facility Documents.
35. An accession letter from Atlas Healthcare Limited in relation to the Facility Documents.
36. An accession letter from Bewick Waverley Limited in relation to the Facility Documents.
37. An accession letter from Cedarhurst Lodge Limited in relation to the Facility Documents.
38. An accession letter from Chapelfield View Limited in relation to the Facility Documents.
39. An accession letter from Chestnut Lodge Limited in relation to the Facility Documents.
40. An accession letter from Cotswold Spa Retirement Hotels Limited in relation to the Facility Documents.
41. An accession letter from County Healthcare Group Limited in relation to the Facility Documents.
42. An accession letter from County Healthcare Limited in relation to the Facility Documents.
43. An accession letter from Doulton Court Limited in relation to the Facility Documents.
44. An accession letter from Dounemead Limited in relation to the Facility Documents.

45. An accession letter from Edgewater Lodge Limited in relation to the Facility Documents.
46. An accession letter from Four Seasons (Barnford) Limited in relation to the Facility Documents.
47. An accession letter from Four Seasons (DFK) Limited in relation to the Facility Documents.
48. An accession letter from Four Seasons (Evedale) Limited in relation to the Facility Documents.
49. An accession letter from Four Seasons (Granby Care) Limited in relation to the Facility Documents.
50. An accession letter from Four Seasons (H2) Limited in relation to the Facility Documents.
51. An accession letter from Four Seasons (JB) Limited in relation to the Facility Documents.
52. An accession letter from Four Seasons (JDM) Limited in relation to the Facility Documents.
53. An accession letter from Four Seasons (No. 11) Limited in relation to the Facility Documents.
54. An accession letter from Four Seasons (No. 12) Limited in relation to the Facility Documents.
55. An accession letter from Four Seasons (No. 13) Limited in relation to the Facility Documents.
56. An accession letter from Four Seasons (No. 14) Limited in relation to the Facility Documents.
57. An accession letter from Four Seasons 2000 Limited in relation to the Facility Documents.
58. An accession letter from Four Seasons Beechcare Limited in relation to the Facility Documents.
59. An accession letter from Four Seasons Group Holdings Limited in relation to the Facility Documents.
60. An accession letter from Four Seasons Health Care (Capital) Limited in relation to the Facility Documents.
61. An accession letter from Four Seasons Health Care Group Limited in relation to the Facility Documents.
62. An accession letter from Four Seasons Health Care Holdings Limited in relation to the Facility Documents.
63. An accession letter from Four Seasons Health Care Investments Limited in relation to the Facility Documents.

64. An accession letter from Four Seasons Health Care Limited in relation to the Facility Documents.
65. An accession letter from Four Seasons Homes (Ilkeston) Limited in relation to the Facility Documents.
66. An accession letter from Four Seasons Homes No. 3 Limited in relation to the Facility Documents.
67. An accession letter from Four Seasons Homes No. 4 Limited in relation to the Facility Documents.
68. An accession letter from Four Seasons Homes No. 6 Limited in relation to the Facility Documents.
69. An accession letter from Four Seasons NWMC Housing Limited in relation to the Facility Documents.
70. An accession letter from Four Seasons Property Management Limited in relation to the Facility Documents.
71. An accession letter from Four Seasons Rosedale Limited in relation to the Facility Documents.
72. An accession letter from FSHC (UK) Limited in relation to the Facility Documents.
73. An accession letter from FSHC Holdings (UK) Limited in relation to the Facility Documents.
74. An accession letter from FSHC Management Services (Galashiels) Limited in relation to the Facility Documents.
75. An accession letter from FSHC Opco Acquisitions Limited in relation to the Facility Documents.
76. An accession letter from Granby at Home Limited in relation to the Facility Documents.
77. An accession letter from Granby Care Limited in relation to the Facility Documents.
78. An accession letter from Granby Holdings Limited in relation to the Facility Documents.
79. An accession letter from Grandcross Limited in relation to the Facility Documents.
80. An accession letter from Guthrie Court Limited in relation to the Facility Documents.
81. An accession letter from Keelex 115 Limited in relation to the Facility Documents.
82. An accession letter from Keslaw Limited in relation to the Facility Documents.

83. An accession letter from Laudcare Limited in relation to the Facility Documents.
84. An accession letter from Leeland Limited in relation to the Facility Documents.
85. An accession letter from Lisnisky Limited in relation to the Facility Documents.
86. An accession letter from Lunan House Limited in relation to the Facility Documents.
87. An accession letter from Maldcare Limited in relation to the Facility Documents.
88. An accession letter from Meadowvale Care Limited in relation to the Facility Documents.
89. An accession letter from Osborne Limited in relation to the Facility Documents.
90. An accession letter from Ringdane Limited in relation to the Facility Documents.
91. An accession letter from Roseguard Properties Limited in relation to the Facility Documents.
92. An accession letter from Rosevale Lodge Limited in relation to the Facility Documents.
93. An accession letter from Saintfield Limited in relation to the Facility Documents.
94. An accession letter from Springfield House (Oaken) 2001 Limited in relation to the Facility Documents.
95. An accession letter from Tamaris (RAM) Limited in relation to the Facility Documents.
96. An accession letter from Tamaris (South East) Limited in relation to the Facility Documents.
97. An accession letter from Tamaris Healthcare (England) Limited in relation to the Facility Documents.
98. An accession letter from Tamcare Limited in relation to the Facility Documents.
99. An accession letter from Tameng Care Limited in relation to the Facility Documents.
100. An accession letter from Tamhealth Limited in relation to the Facility Documents.
101. An accession letter from Tammillec Limited in relation to the Facility Documents.

102. An accession letter from Tamscot Care Limited in relation to the Facility Documents.
103. An accession letter from Tamulst Care Limited in relation to the Facility Documents.
104. An accession letter from The Belmont Nursing Home Limited in relation to the Facility Documents.
105. An accession letter from Westview Lodge Limited in relation to the Facility Documents.
106. An accession letter from Four Seasons (No. 10) Limited in relation to the Facility Documents.
107. An accession letter from Four Seasons (No. 7) Limited in relation to the Facility Documents.
108. An accession letter from Four Seasons (No. 8) Limited in relation to the Facility Documents.
109. An accession letter from Four Seasons (No. 9) Limited in relation to the Facility Documents.
110. An accession letter from FSHC Management Services (CM) Limited in relation to the Facility Documents.
111. An accession letter from Duncare Limited in relation to the Facility Documents.
112. An accession letter from Fife Health Care Limited in relation to the Facility Documents.
113. An accession letter from Forebank Limited in relation to the Facility Documents.
114. An accession letter from Four Seasons Health Care (Scotland) Limited in relation to the Facility Documents.
115. An accession letter from Tamaris (Scotland) Limited in relation to the Facility Documents.
116. Any other document required in connection with the Transactions to which the Company is a party.

Any and all of the documents in paragraphs 29 to 115 (inclusive) above may be constituted by a global/composite accession letter or global/composite accession letters.

Annexure C to Companies Form 155(6)a
Declaration by all the directors of the Company
in relation to assistance for acquisition of shares in the Company's holding company

Unless otherwise defined in this Annexure C, capitalised terms used in this Annexure C shall have the meaning given to those terms in Annexures B and D to this Companies Form 155(6)a.

Principal Terms of Financial Assistance

The principal terms on which the assistance will be given are:

1. By executing each Accession Letter (as defined in each of the Facility Agreements) and becoming a party to the Intercreditor Agreement and the relevant Facility Agreement the Company:
 - (a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
 - (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor;
 - (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover;
 - (d) becomes a Guarantor and as such gives certain undertakings and representations which, if breached, could result in the Company having to make payments as damages or otherwise;
 - (e) agrees to subordinate its rights to repayment of monies due from certain of its creditors and to the ranking of priority between certain of its creditors;
 - (f) guarantees to each Hedging Counterparty payment in full of the Hedging Debt owed to such Hedging Counterparty by any Obligor;
 - (g) agrees to indemnify the Security Trustee for certain costs, claims, expenses and liabilities under the Intercreditor Agreement;
 - (h) expressly confirms that it intends that the guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made carrying our restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

2. by executing each Security Agreement the Company:
 - 2.1 covenants with the Security Trustee to pay, discharge and satisfy the Secured Liabilities (when due and payable) in accordance with the Finance Documents;
 - 2.2 charges:
 - (a) by way of a first legal mortgage all estates or interests in any freehold or long leasehold property located in England and Wales now owned by it and this includes the real property (if any) specified in part 2 of schedule 1 therein; and
 - (b) (to the extent that they are not the subject of a mortgage under sub-paragraph (a) above) by way of first fixed charge all estates or interests in any freehold or long leasehold property located in England and Wales now or subsequently owned by it;
 - 2.3 charges by way of a first fixed charge its interest in all shares (except shares in any Scottish company), stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf;
 - 2.4 charges by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession;
 - 2.5 charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any account contemplated by the Credit Suisse Facilities Agreement or the relevant Security Agreement) it has with any person and the debt represented by it;
 - 2.6 charges by way of a first fixed charge:
 - (a) all of its book and other debts;
 - (b) all other moneys due and owing to it; and
 - (c) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above,in each case to the fullest extent such charge is not prohibited in the relevant document;
 - 2.7 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest;
 - 2.8 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any Hedging Agreement to which it is party;
 - 2.9 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
 - (a) under each Lease Document;
 - (b) in respect of all Rental Income;

- (c) under any guarantee of Rental Income contained in or relating to any Lease Document; and
 - (d) under each Relevant Contract and any other agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this clause.
- 2.10 charges by way of first fixed charge:
 - (a) its goodwill;
 - (b) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
 - (c) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (b) above; and
 - (d) its uncalled capital;
- 2.11 charges by way of a first floating charge all its assets (including for the avoidance of doubt assets located in Scotland) not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment;
- 2.12 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement) create or permit to subsist any Security on any Security Asset (except for the Security created under the relevant Security Agreement or the Security created by or pursuant to the relevant Scottish Security);
- 2.13 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement), sell, transfer, licence, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under the relevant Security Agreement;
- 2.14 agrees to:
 - (a) as soon as reasonably practicable after, but in any event within ten Business Days of the date of execution of the relevant Security Agreement, serve a notice of assignment, substantially in the form of part 1 of schedule 3 of the relevant Security Agreement, on each tenant of the Mortgaged Property located in England and Wales owned by it;
 - (b) use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of part 2 of schedule 3 of the relevant Security Agreement, within 20 Business Days of service, provided that, following such 20 Business Day period, if (notwithstanding such endeavours) no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease;
 - (c) as soon as reasonably practicable after, but in any event within ten Business Days of the date of execution of the relevant Security Agreement, serve a notice of assignation, substantially in the form of intimation annexed to the Assignation of Rents, on each tenant of the Mortgaged Property located in Scotland owned by it; and

- (d) use all reasonable endeavours to ensure that each such tenant referred to in (c) above acknowledges that notice, substantially in the form of acknowledgement annexed to the relevant Assignment of Rents within 20 Business Days of service;
- 2.15 if it acquires any heritable, freehold or leasehold property which is not charged to the landlord of such leasehold property situated in England and Wales or Scotland after the date of the relevant Security Agreement, agrees to:
 - (a) notify the Security Trustee immediately;
 - (b) (to the extent legally permissible) immediately on request by the Security Trustee and at the cost of the Company, execute and deliver to the Security Trustee a legal mortgage or Scottish Security (as appropriate), in favour of the Security Trustee, of that property in any form which the Security Trustee may require;
 - (c) if the title to that freehold or leasehold property is registered at The Land Registry, forthwith register the legal mortgage in the Register of Title to that property within the priority period afforded by priority searches carried out by the Company, the Company having carried out such searches as are necessary to protect registration of the legal mortgage as a first legal mortgage;
 - (d) if the title to the relevant freehold or leasehold property is required to be registered pursuant to section 4 of the Land Registration Act 2002 ("the 2002 Act"), to register the title to that property and the legal mortgage at the Land Registry within the time limit for registration prescribed by the 2002 Act;
 - (e) if applicable, ensure that the Security created by the relevant Security Agreement is correctly noted against that title in the Register of Title at The Land Registry; and
 - (f) if the heritable property is located in Scotland, forthwith register the Standard Security with the Registers of Scotland within two Business Days of the acquisition of the property;
- 2.16 consents to and agrees to apply to the Registrar for a restriction to be entered on the Register of Title of all registered land constituting Mortgaged Property located in England and Wales now or in the future owned by the Company and representing a Security Asset in standard form P in Schedule 4 of the Land Registration Rules 2003;
- 2.17 undertakes to:
 - (a) promptly deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment; and
 - (b) promptly execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or of its nominees to be registered as the owner or otherwise obtain a legal title to any Investment;

- 2.18 save as permitted in the Senior Finance Documents, undertakes not to take or allow the taking of any action on its behalf which may result in the rights attaching to any of the relevant Investments being altered or further Investments being issued;
- 2.19 undertakes to promptly copy to the Security Trustee and comply with all requests for information which is within its knowledge and which are made under section 212 of the Companies Act 1985 (or under the laws of the jurisdiction of its incorporation) or any similar provision contained in any articles of association or other constitutional document relating to any of the relevant Investments. If it fails to do so, the Security Trustee may elect to provide such information as it may have on behalf of the Company;
- 2.20 undertakes to get in and realise its:
- (a) rent and other amounts due from tenants of the Mortgaged Property owned by it; and
 - (b) book and other debts and other moneys due and owing to it (including, without limitation, amounts payable to it under Care Contracts),
- in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an account if required in accordance with the immediately following paragraph) on trust for the Security Trustee;
- 2.21 undertakes (except to the extent that the Security Trustee otherwise agrees) to pay all the proceeds of the getting in and realisation into a bank account the subject of security created by the relevant Security Agreement;
- 2.22 undertakes:
- (a) as soon as reasonably practicable after, but in any event within 10 Business Days of the date of execution of the relevant Security Agreement to serve a notice of assignment, substantially in the form of part 1 of schedule 2 of the relevant Security Agreement, on each Account Bank; and
 - (b) to use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of part 2 of schedule 2 of the relevant Security Agreement, within 20 Business Days of service, provided that if, following such 20 Business day period, (notwithstanding such endeavours) no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease;
- 2.23 undertakes to:
- (a) as soon as reasonably practicable after, but in any event within ten Business Days of the date of execution of the relevant Security Agreement serve a notice of assignment, substantially in the form of part 1 of schedule 4 of the relevant Security Agreement, on each counterparty to a Hedging Agreement to which it is party; and
 - (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of part 2 of schedule 4 of the relevant Security Agreement, within 20 Business Days of service, provided that, following such 20 Business day period, if (notwithstanding such endeavours)

no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease;

2.24 undertakes to, at the request of the Security Trustee:

- (a) as soon as reasonably practicable after, but in any event within ten Business Days of the date of execution of the relevant Security Agreement serve a notice of assignment, substantially in the form of part 1 of schedule 5, on each counterparty to each Relevant Contract other than a Care Contract; and
- (b) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of part 2 of schedule 5, within 20 Business Days of service, provided that, following such 20 Business Day period, if (notwithstanding such endeavours) no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease;

2.25 undertakes to pay to the Security Trustee, immediately on demand, the costs and expenses incurred by the Security Trustee in connection with:

- (a) the redemption by the Security Trustee of any prior Security against any Security Asset; and/or
- (b) the transfer of that Security to itself,

including the payment of any principal or interest;

2.26 agrees to:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with the relevant Security Agreement by any Secured Creditor, Receiver, attorney, manager, agent or other person appointed by the Security Trustee under the relevant Security Agreement 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 them indemnified against any failure or delay in paying those costs or expenses;

2.27 agrees to, at its own expense following a request from the Security Trustee, take whatever action the Security Trustee or a Receiver may require for:

- (a) creating, perfecting or protecting any Security intended to be created by the relevant Security Agreement or Scottish Security; or
- (b) facilitating the realisation of any Security Asset (following the occurrence of a Declared Default which is continuing), or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset,

including:

- (i) the execution of any transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Trustee or to its nominee; or

- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Security Trustee (acting reasonably) may think expedient; and

- 2.28 gives certain undertakings and representations which, if breached could result in the Company having to make payments as damages or otherwise.

- 3. by executing each Northern Irish Security Agreement the Company:

- 3.1 covenants with the Security Trustee to pay, discharge and satisfy the Secured Liabilities (when due and payable) in accordance with the Finance Documents;

- 3.2 charges in favour of the Security Trustee (as agent and trustee for the Secured Creditors) all the registered freehold and long leasehold land and property in Northern Ireland owned by it, including, among other things, the land more particularly specified in parts 2 and 3 of schedule 1 to the relevant Northern Irish Security Agreement and consents to the registration of the charge as a burden on the land comprised in the relevant folios;

- 3.3 grants and demises in favour of the Security Trustee (as agent and trustee for the Secured Creditors) all unregistered freehold and long leasehold property situated in Northern Ireland owned by it, including the unregistered property specified in parts 2 and 3 of schedule 1 to the relevant Northern Irish Security Agreement:

- (a) to hold so much of the same as is of freehold tenure unto the Security Trustee for the term of 1000 years from the date of the relevant Northern Irish Security Agreement; and

- (b) to hold so much of the same as is of leasehold tenure unto the Security Trustee for the residue of the respective term of years for which the Company holds the same less the last day of such term,

subject as to all such property to the proviso for redemption hereinafter contained;

- 3.4 charges in favour of the Security Trustee (as agent and trustee for the Secured Creditors) by way of first fixed charge (to the extent that the same are not the subject of a mortgage or charge under the two immediately preceding paragraphs) all estates or interests in any freehold or long leasehold property situated in Northern Ireland now or subsequently owned by it;

- 3.5 charges by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it in any Northern Irish company or held by any nominee on its behalf;

- 3.6 charges by way of a first fixed charge all plant and machinery owned by it in Northern Ireland and its interest in any plant or machinery in its possession;

- 3.7 charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account held in or otherwise governed by the laws of Northern Ireland (including any account contemplated by the Credit Suisse Facility Agreement or the relevant Northern Irish Security Agreement) it has with any person and the debt represented by it;

3.8 charges by way of a first fixed charge:

- (a) all of its book and other debts situated in, or otherwise governed by the laws of, Northern Ireland;
- (b) all other moneys due and owing to it situated in, or otherwise governed by the laws of, Northern Ireland; and
- (c) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above,

in each case to the fullest extent such charge is not prohibited in the relevant document;

3.9 assigns absolutely, subject to a proviso for re-assignment on redemption:

- (a) all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest pertaining to assets located in, or otherwise governed by the laws of, Northern Ireland; and
- (b) all proceeds in respect of the insurances and compensation payable under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 and all claims and returns of premiums in respect thereof but excluding, for the avoidance of doubt, any liability of the Company or third party claims to the extent that such proceeds are applied directly to discharge a liability of the Company to a third party;

3.10 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any Hedging Agreement governed by Northern Irish law to which it is party;

3.11 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:

- (a) under each Lease Document;
- (b) in respect of all Rental Income;
- (c) under any guarantee of Rental Income contained in or relating to any Lease Document; and
- (d) under any other agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this clause,

in each case to the extent those rights are governed by Northern Irish law.

3.12 to the extent that the following are subject to or governed by Northern Irish law charges by way of first fixed charge, charges:

- (a) its goodwill;
- (b) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (c) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (b) above; and

- (d) its uncalled capital;
- 3.13 agrees to attorn tenant to the Security Trustee (as agent and trustee for the Secured Creditors) of any part of its unregistered freehold or leasehold property assigned or demised by way of mortgage pursuant to these presents at an annual rate of 5 pence (if demanded) and agrees that the Security Trustee may terminate the tenancy at any time after 28 days from the date of the relevant Northern Irish Security Agreement without notice and may enter such property without notice;
- 3.14 subject to the Company's right to redeem the mortgage(s) created by the relevant Northern Irish Security Agreement and to have the relevant Northern Irish Security Agreement released when all relevant obligations have been met, agrees:
 - (a) in relation to its unregistered leasehold property, to hold the reversion immediately following expiry of the term created in the relevant Northern Irish Security Agreement in trust for the Security Trustee (as agent and trustee for the Secured Creditors);
 - (b) that upon the occurrence of a Declared Default it will sell, assign or otherwise dispose of any interest as the Security Trustee may direct;
 - (c) that upon the occurrence of a Declared Default the Security Trustee may at any time remove the Company as trustee of the trust created under paragraph (a) above and may appoint trustees of that trust; and
 - (d) that if the Security Trustee disposes of any unregistered leasehold property belonging to the Company in accordance with this paragraph it will at its own expense join as a party to the relevant Northern Irish Security Agreement evidencing the disposal to ensure that the purchaser acquires the full title to thereto;
- 3.15 charges by way of a first floating charge all its assets situated in, or otherwise governed by the laws of Northern Ireland not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment;
- 3.16 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement, create or permit to subsist any Security on any Security Asset (except for the Security created under the relevant Northern Irish Security Agreement);
- 3.17 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement), sell, transfer, licence, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under the relevant Northern Irish Security Agreement;
- 3.18 agrees to:
 - (a) as soon as reasonably practicable after, but in any event within 10 Business Days of the date of execution of the relevant Northern Irish Security Agreement, serve a notice of assignment, substantially in the form of part 1 of schedule 3 to the relevant Northern Irish Security Agreement, on each tenant of the Mortgaged Property located in Northern Ireland owned by it;
 - (b) use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of part 2 of schedule 3 to the relevant Northern Irish Security Agreement, within 20 Business Days of service,

provided that, following such 20 Business Day period, if (notwithstanding such endeavours) no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease;

3.19 if it acquires any freehold or leasehold property located in Northern Ireland which is not charged to the landlord of such leasehold property after the date of the relevant Northern Irish Security Agreement, agrees to:

- (a) notify the Security Trustee immediately;
- (b) (to the extent legally permissible) immediately on request by the Security Trustee and at the cost of the Company, execute and deliver to the Security Trustee a legal mortgage, in favour of the Security Trustee, of that property in any form which the Security Trustee may require;
- (c) if the title to that freehold or leasehold property is registered at the Land Registry of Northern Ireland, forthwith register the legal charge as a burden in Part III of the Folio to that property within the priority period afforded by priority searches carried out by the Company, the Company having carried out such searches as are necessary to protect registration of the legal charge as a first legal charge;
- (d) if the title to that freehold or leasehold property is required to be registered pursuant to the Land Registration Act (Northern Ireland) 1970 (the "1970 Act"), to register the title to that property and the legal charge at the Land Registry of Northern Ireland within the time limit for registration prescribed by the 1970 Act; and
- (e) if applicable, ensure that this Security is correctly noted against that title in the Register of Title at The Land Registry;

3.20 consents to and shall apply to the Registrar for an Inhibition to be registered as a burden on Part III of the Folios of all registered land now or in the future owned by the Company located in Northern Ireland and representing a Security Asset;

3.21 agrees to:

- (a) in the event of any Mortgaged Property or any part thereof being destroyed or damaged by circumstances giving rise to a claim for compensation, forthwith institute a claim under the Criminal Damage (Compensation) (Northern Ireland) Order 1977, serve a copy of the documentation of the claim on the Security Trustee and take all steps required to obtain payment of the maximum compensation payable under the said Order and either apply all compensation thereunder in rebuilding and reinstating the Mortgaged Property making good any deficiency out of the Company's own monies, or if the Security Trustee so requires, assign its rights under any claim and any monies payable thereunder and pay any such deficiency whereupon the Company's liability to make good and reinstate the Mortgaged Property so damaged under any covenant in the relevant Northern Irish Security Agreement shall be deemed satisfied; and
- (b) take all reasonable and proper steps to comply without delay with any order or notice issued or made by any competent authority, body or person whatsoever which in any way relates to any of the Security Assets (including without limitation the Police Service of Northern Ireland) and at the request

of the Security Trustee at the Company's expense make or concur with the Security Trustee in making such objections or representations as the Security Trustee (acting reasonably) may deem expedient against or in respect of any such notice or order which adversely affects any of the Security Assets or any proposal for such a notice or order and/or in appealing against any such notice, order or proposal;

3.22 undertakes to:

- (a) promptly deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment; and
- (b) promptly execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner or otherwise obtain a legal title to any Investment;

3.23 save as permitted in the Senior Finance Documents, undertakes not to take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued;

3.24 agrees to promptly copy to the Security Trustee and comply with all requests for information which is within its knowledge and which are made under Article 220 of the Companies (Northern Ireland) Order 1986 (or under the laws of the jurisdiction of incorporation of the Company) or any similar provision contained in any articles of association or other constitutional document relating to any of the Investments;

3.25 undertakes to get in and realise its:

- (a) rent and other amounts due from tenants of the Mortgaged Property owned by it; and
- (b) book and other debts and other moneys due and owing to it (including, without limitation, amounts payable to it under Care Contracts),

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an account if required in accordance with the immediately following paragraph) on trust for the Security Trustee;

3.26 undertakes (except to the extent that the Security Trustee otherwise agrees) pay all the proceeds of the getting in and realisation into a bank account the subject of security created by the relevant Northern Irish Security Agreement;

3.27 undertakes:

- (a) as soon as reasonably practicable after, but in any event within ten Business Days of the date of execution of the relevant Northern Irish Security Agreement to serve a notice of assignment, substantially in the form of part 1 of schedule 2 to the relevant Northern Irish Security Agreement, on each Account Bank; and
- (b) to use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of part 2 of schedule 2 to the relevant Northern Irish Security Agreement, within 20 Business Days of

service, provided that if, following such 20 Business Day period, (notwithstanding such endeavours) no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease;

3.28 undertakes to:

- (a) as soon as reasonably practicable after, but in any event within ten Business Days of the date of execution of the relevant Northern Irish Security Agreement serve a notice of assignment, substantially in the form of part 1 of schedule 4 to the relevant Security Agreement, on each counterparty to a Hedging Agreement to which it is party; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of part 2 of schedule 4 to the relevant Northern Irish Security Agreement, within 20 Business Days of service, provided that, following such 20 Business Day period, if (notwithstanding such endeavours) no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease;

3.29 undertakes to, at the request of the Security Trustee:

- (a) as soon as reasonably practicable after, but in any event within ten Business Days of the date of execution of the relevant Northern Irish Security Agreement serve a notice of assignment, substantially in the form of part 1 of schedule 5 to the relevant Northern Irish Security Agreement, on each counterparty to each Relevant Contract other than a Care Contract; and
- (b) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of part 2 of schedule 5 to the relevant Northern Irish Security Agreement, within 20 Business Days of service, provided that, following such 20 Business Day period, if (notwithstanding such endeavours) no acknowledgement has been provided, the obligation to procure such acknowledgement shall cease.

3.30 undertakes to pay to the Security Trustee, immediately on demand, the costs and expenses incurred by the Security Trustee in connection with:

- (a) the redemption by the Security Trustee of any prior Security against any Security Asset; and/or
- (b) the transfer of that Security to itself,

including the payment of any principal or interest;

3.31 agrees to:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with the relevant Northern Irish Security Agreement by any Secured Creditor, Receiver, attorney, manager, agent or other person appointed by the Security Trustee under the relevant Northern Irish Security Agreement 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 them indemnified against any failure or delay in paying those costs or expenses;
- 3.32 agrees to, at its own expense following a request from the Security Trustee, take whatever action the Security Trustee or a Receiver may require for:
 - (a) creating, perfecting or protecting any Security intended to be created by the relevant Northern Irish Security Agreement; or
 - (b) facilitating the realisation of any Security Asset (following the occurrence of a Declared Default which is continuing), or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset,

including:

 - (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Security Trustee or to its nominee; or
 - (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Security Trustee (acting reasonably) may think expedient; and
- 3.33 gives certain undertakings and representations which, if breached could result in the Company having to make payments as damages or otherwise.
- 4. by executing each Standard Security the Company:
 - 4.1 in security of the payment and discharge (when due and payable) of all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Company to any Secured Creditor under each Finance Document, grants a standard security in favour of the Security Trustee over all and whole the subjects described in part 2 of the schedule annexed and executed as relative to the relevant Standard Security (the "Security Subjects");
 - 4.2 agrees that:
 - (a) the Standard Conditions shall be varied in so far as lawful and applicable by the provisions of the Credit Suisse Facilities Agreement and the Scottish Floating Charge (the Credit Suisse Facilities Agreement and the Scottish Floating Charge being together referred to as the "**Scottish Documents**") to the effect that in so far as the provisions of the Scottish Documents extend, add to, depart from or conflict with the Standard Conditions and there is any inconsistency between the Standard Conditions and the applicable provisions of the Scottish Documents, the Scottish Documents shall prevail and take effect; and
 - (b) upon the occurrence of a Default in accordance with the terms of the Credit Suisse Facilities Agreement, agrees to be held to be in default within the meaning of Standard Condition 9(1)(b) of the Standard Conditions whereupon, and without prejudice to all other rights and powers of the Security Trustee or otherwise, the Security Trustee shall be entitled to enter

into possession of the Security Subjects and the Security Trustee shall be able to take warrant of summary ejection against the Company for the purposes of obtaining such possession and grants warrandice but excepting therefrom the leases, missives of let and other rights of occupancy detailed in part 3 of the schedule annexed and executed as relative to the Standard Security but without prejudice to the right of the Security Trustee to quarrel or impugn the same on any ground of law not inferring warrandice against the Company; and consents to registration hereof for preservation and execution;

- 4.3 gives certain undertakings and representations which, if breached could result in the Company having to make payments as damages or otherwise;
- 5. by executing each Assignment of Rents the Company:
 - 5.1 undertakes to the Security Trustee that it will pay and discharge (when due and payable) 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 any Secured Creditor under each Finance Document;
 - 5.2 in security for the payment and discharge of the Secured Liabilities (as defined therein), assigns to and in favour of the Security Trustee, the Company's whole right, title and interest, present and future, in and to the rent and all other monies due and to become due to the Company in terms of the lease or leases of the Property as the said lease or leases are detailed in part 3 of the schedule to the relevant Assignment of Rents and as the same may be amended, supplemented or varied in any way from time to time (the "**Lease**"), such rent and other monies to include, without limitation, arrears of rent (if any) existing as at the date hereof, such increase of rent as may become payable following a review of rent, any value added tax which is or may become payable under the Lease in respect of rent and all interest as may be payable from time to time on such rent under the Lease (the "**Rental Income**").
 - 5.3 agrees that all the obligations, undertakings, representations, warranties and covenants specified and contained in the Scottish Documents relating to the property and assets secured thereby or pursuant thereto and the rights and powers granted thereunder shall be deemed to be repeated herein and shall, except in so far as inconsistent herewith, apply *mutatis mutandis* to the Rental Income, the Property and the security and other rights and powers created hereunder and pursuant hereto.
 - 5.4 warrants that it is solely entitled to receive the Rental Income and that it has not assigned or otherwise disposed of the Rental Income to any other party;
 - 5.5 undertakes to the Security Trustee as follows:
 - (a) to intimate the relevant Assignment of Rents to each tenant under the Lease in substantially the terms of the form of intimation set out in part 4 of the Schedule of the relevant Assignment of Rents as soon as reasonably practicable but in any event within 10 Business Days following the Company's execution of the relevant Assignment of Rents and to use all reasonable endeavours to procure that within 20 Business Days of service the said tenants acknowledge such intimation in substantially the form of acknowledgement set out in part 5 of the schedule to the relevant Assignment of Rents;
 - (b) that it shall, at the request of the Security Trustee and at its own expense, grant and execute such other documents and deeds and take all such lawful

action as may, in the opinion of the Security Trustee (acting reasonably), be required to enable the Security Trustee to obtain possession of, recover and uplift the Rental Income;

- (c) to execute an assignment or assignments in substantially the same terms *mutatis mutandis* as this assignment (each a "**Further Assignment**") relative to the rents and other monies payable under any further, additional or renewal lease of the Property or any part thereof (each a "**Further Lease**") and to deliver the same to the Security Trustee forthwith and in any event by no later than 14 days from the date any such Further Lease is entered into by the Company or within such shorter timescale as the Security Trustee may require;
 - (d) except as expressly allowed in the Credit Suisse Facilities Agreement, not to grant or purport to grant any assignment of the Company's entitlement to receive the Rental Income and/or any analogous sums receivable pursuant to any Further Leases (or any part of any of them) (whether before or after the intimation hereof);
 - (e) that upon the occasion of any assignment or other devolution of the tenants' interest in the Lease and/or in any Further Lease (except where such assignment or other devolution is expressly allowed in the Credit Suisse Facilities Agreement), it shall forthwith and in any event by no later than 14 days from the date of such assignment or other devolution, provide full written details of the assignee or transferee to the Security Trustee and procure that such assignee or transferee shall continue to pay to the Security Trustee the Rental Income due under the relevant Lease and/or the analogous sums due under any Further Lease and all instalments thereof as provided for herein or in any Further Assignment; and
- 5.6 that it shall forthwith on demand by the Security Trustee pay all costs, charges and expenses (including legal fees) incurred by the Security Trustee in connection with the preparation and execution of this assignment and the enforcement or preservation of the Security Trustee's rights hereunder and indemnify and keep indemnified the Security Trustee against any failure or delay in paying the same;
- 5.7 gives certain undertakings and representations which, if breached could result in the Company having to make payments as damages or otherwise;
6. by executing each Scottish Floating Charge the Company:
- 6.1 undertakes to the Security Trustee to pay discharge and satisfy the Secured Liabilities (when due and payable in accordance with the Finance Documents);
 - 6.2 charges by way of a first floating charge all its present and future property assets and undertakings situated in Scotland or otherwise governed by or subject to Scots law;
 - 6.3 represents to the Security Trustee that subject to the Legal Reservations and Perfection Requirements the floating charge creates the security it purports to create and is not liable to be void or otherwise set aside on the winding up, and dissolution, liquidation or administration of the Company or otherwise;
 - 6.4 undertakes:

- (a) except as expressly allowed in the Finance Documents not to create or permit to subsist any Security on any Security Asset (except for the security created by or pursuant to the Security Deed and the Scottish Security);
- (b) except as expressly allowed in the Finance Documents not to sell or transfer licence lease or otherwise dispose of any Security Asset;
- (c) to promptly deposit with the Security Trustee or as the Security Trustee may direct all certificates and other documents of title or evidence of ownership in relation to any Investment (as defined in the Scottish Floating Charge);
- (d) to promptly execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner or otherwise obtain a legal title to any Investment;
- (e) save as permitted in the Senior Finance Documents not to take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued;
- (f) to promptly copy to the Security Trustee and comply with all requests for information which is within its knowledge and which are made under section 212 of the Companies Act 1985 and any similar provision contained in any Articles of Association or other constitutional documents relating to any of the Investments. If the Company fails to do so then the Security Trustee may elect to provide such information as it may have on behalf of the Company;

6.5 undertakes to:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with the Scottish Floating Charge by any Finance Party, receiver, attorney, manager, agent or other person appointed by the Security Trustee under the Scottish Floating Charge including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise;
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses.

6.6 undertakes at its own expense following a request from the Security Trustee to take whatever action the Security Trustee or a receiver may require for:

- (a) creating, perfecting or protecting any Security intended to be created by the Scottish Floating Charge; or
- (b) facilitating the realisation of any Security Asset (following the occurrence of a Declared Default which is continuing) or the exercise of any right, power or discretion exercisable by the Security Trustee or any receiver or any of its delegates or sub-delegates in respect of any Security Asset.

Including:

- (i) the execution of any transfer, conveyance, assignation or assurance of any property belonging to the Security Trustee or its nominee; or

- (ii) the giving of any notice order or direction on the making of any registration, which in any such case the Security Trustee (acting reasonably) may think expedient.
- 7. by executing each Northern Irish Share Charge the Company:
- 7.1 covenants with the Security Trustee to pay, discharge and satisfy the Secured Liabilities (when due and payable) in accordance with the Finance Documents;
- 7.2 charges:
 - (a) by way of a first fixed charge all the Northern Irish Shares owned by it or held by any nominee on its behalf; and
 - (b) by way of first fixed charge all dividend or interest paid or payable in relation to any Northern Irish Shares and any right, money or property accruing or offered at any time in relation to any Northern Irish Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
- 7.3 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement, create or permit to subsist any Security on any Security Asset (except for the Security created under the relevant Northern Irish Share Charge);
- 7.4 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement), sell, transfer, licence, lease or otherwise dispose of any Security Asset;
- 7.5 undertakes to:
 - (a) promptly deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment; and
 - (b) promptly execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner or otherwise obtain a legal title to any Investment;
- 7.6 save as permitted in the Senior Finance Documents, undertakes not to take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued;
- 7.7 agrees to promptly copy to the Security Trustee and comply with all requests for information which is within its knowledge and which are made under Article 220 of the Companies (Northern Ireland) Order 1986 (or under the laws of the jurisdiction of incorporation of the Company) or any similar provision contained in any articles of association or other constitutional document relating to any of the Investments;
- 7.8 undertakes to pay to the Security Trustee, immediately on demand, the costs and expenses incurred by the Security Trustee in connection with:
 - (a) the redemption by the Security Trustee of any prior Security against any Security Asset; and/or
 - (b) the transfer of that Security to itself,

including the payment of any principal or interest;

7.9 agrees to:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with the relevant Northern Irish Share Charge by any Secured Creditor, Receiver, attorney, manager, agent or other person appointed by the Security Trustee under the relevant Northern Irish Share Charge 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 them indemnified against any failure or delay in paying those costs or expenses;

7.10 agrees to, at its own expense following a request from the Security Trustee, take whatever action the Security Trustee or a Receiver may require for:

- (a) creating, perfecting or protecting any Security intended to be created by the relevant Northern Irish Share Charge; or
- (b) facilitating the realisation of any Security Asset (following the occurrence of a Declared Default which is continuing), or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset,

including:

- (i) the execution of any transfer, conveyance, assignment, or assurance of any property, whether to the Security Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Security Trustee (acting reasonably) may think expedient;

7.11 waives any right it may have of first requiring any Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Company under the relevant Northern Irish Share Charge;

7.12 agrees that unless the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full or the Security Trustee otherwise requests, the Company will not, following the occurrence of a Declared Default:

- (a) be subrogated to any rights, security or moneys held, received or receivable by any Secured Creditor (or any trustee or agent on its behalf);
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Company's liability, under the relevant Northern Irish Share Charge;
- (c) claim, rank, prove or vote as a creditor of the Company or its estate in competition with any Secured Creditor (or any trustee or agent on its behalf);

- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of the Company, or exercise any right of set-off as against the Company; and

the Company agrees that it will hold in trust for and immediately pay or transfer to the Agent for the Secured Creditor any payment or distribution or benefit of security received by it contrary to the terms of this paragraph;

- 7.13 gives certain undertakings and representations which, if breached could result in the Company having to make payments as damages or otherwise.
- 8. By executing each Scottish Share Pledge the Company:
 - 8.1 undertakes as primary obligor and not merely as surety or cautioner to the Security Trustee and binds and obliges itself that it will pay or discharge each of the Secured Liabilities on the date on which it becomes due and payable and in the manner provided in the Finance Documents;
 - 8.2 as security for the payment and discharge of all monies and liabilities whatsoever constituting the Secured Liabilities which now or at any time hereafter may (whether before or after demand) become due or owing or payable, pledges and assigns to the Security Trustee its whole right, title, interest and benefit in and to the shares and/or other securities described in Part 2 of the Schedule annexed to the Scottish Share Pledge (the "Scottish Shares") and all other shares, stocks, debentures, bonds or other securities and investments (if any) together with any dividends, interests or other distribution and any allotments, accretions, offers, rights and benefits at any time accruing, offered or arising in respect thereof whether by way of conversion, redemption, bonus, preference, option, substitution or exchange or otherwise which are or the certificates or other documents for which are now or hereafter held by, transferred or delivered to or registered in the name of the Security Trustee or its nominee or otherwise agree to be held on the terms of the Scottish Share Pledge (all of which are together called the "Securities");
 - 8.3 will deliver promptly to the Security Trustee (or its nominee) all share certificates and/or such other evidence of title as the Security Trustee may require (and undated, signed and pre-stamped transfer forms) and/or such other form of transfer as the Security Trustee may require (made out in favour of the Security Trustee (or its nominee)) in respect of the Scottish Shares and any other Securities;
 - 8.4 shall take all steps in its power to procure that Security Trustee or its nominee is registered as the holder of the Scottish Shares and such other Securities immediately upon presentation of such transfers to the relevant company;
 - 8.5 shall immediately on receipt of the relevant transfer document procure registration of the Security Trustee (or its nominee) as registered holder of all registered securities (in the relevant register of members or otherwise) and shall procure the waiver or amendment of all relevant restrictions and transfer of all Securities to the Security Trustee (or its nominee) or by the Security Trustee on disposal;
 - 8.6 authorises the Security Trustee (or its nominee) to hold the Securities in such form as the Security Trustee (or its nominee) considers appropriate or convenient from time to time during the subsistence of the Security under or pursuant to the Scottish Share Pledge (and for this purpose may arrange for Securities which are in certificated form to be converted into uncertificated form and vice versa). The Security Trustee and its nominee shall be under no obligation to act in relation to the Securities in any way

and shall not be liable to the Company for acting or omitting to act in any way in relation to the Securities;

- 8.7 gives certain undertakings and representations which if breached could result in the Company having to make payment as damages or otherwise;
- 8.8 must pay all calls or other payments due and payable in respect of any of the Securities and if it fails to do so the Security Trustee may pay the calls or other payments on behalf of the Company and the Company must immediately on request reimburse the Security Trustee for any payment made by the Security Trustee;
- 8.9 must promptly copy to the Security Trustee and comply with all requests for information which is within its knowledge and which are made under Section 212 of the Companies Act 1985 or any similar provision contained in any Articles of Association or other constitutional document relating to any of the Securities. If it fails to do so the Security Trustee may in its absolute discretion elect to provide such information as it may have on behalf of the Company;
- 8.10 must comply with all other material conditions and obligations assumed by it in respect of the Securities;
- 8.11 must at its own expense promptly following a request from the Security Trustee take whatever action the Security Trustee may require for:
 - (a) creating, perfecting or protecting any security intended to be created by the Scottish Share Pledge;
 - (b) facilitating the realisation of the Securities (following the occurrence of a Declared Default which is continuing) or the exercise of any right, power or discretion exercisable by the Security Trustee or any of its delegates or sub-delegates in respect of the Securities.

This includes:

- (i) the execution of any transfer, pledge, assignation or assurance of any property whether to the Security Trustee or its nominee; or
- (ii) the giving of any notice, intimation, order or direction in the making of any registration or recording,

which in any such case the Security Trustee (acting reasonably) may think expedient.

- 8.12 by way of security and in order more fully to secure the performance of its obligations irrevocably appoints the Security Trustee and every delegate or sub-delegate thereof appointed under the Scottish Share Pledge to be its attorney, proxy, agent, mandatory and pursuant to Section 375 of the Companies Act 1985, its representative with power to deal in any and every manner consistent with the Scottish Share Pledge in with and relative to the Securities (including without limitation to sign, complete and stamp and lodge for registration any uncompleted stock transfer form and any other instrument of transfer in respect of any Securities and effect transfers by means of CREST) and to perform the obligations of the Company under and pursuant to the Scottish Share Pledge in each case on the Company's behalf and to exercise any of the rights conferred on the Security Trustee by the Scottish Share Pledge in each case in such a manner as the Security Trustee shall think fit and the Company ratifies and

confirms and agrees to ratify and confirm anything such attorney shall lawfully do or purport to do consistent with the Scottish Share Pledge.

8.13 must:

- (a) immediately on demand pay all costs and expenses (including legal fees properly incurred in connection with the Scottish Share Pledge by any secured creditor, attorney, manager, agent or other person appointed by the Security Trustee under the Scottish Share Pledge); this includes 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 them indemnified against any failure or delay in paying those costs or expenses.

9. By executing each Isle of Man Share Charge the Company:

9.1 covenants with the Security Trustee to pay, discharge and satisfy the Secured Liabilities (when due and payable) in accordance with the Finance Documents;

9.2 charges:

- (a) by way of a first fixed charge all the Isle of Man Shares owned by it or held by any nominee on its behalf; and
- (b) by way of first fixed charge all dividend or interest paid or payable in relation to any Isle of Man Shares and any right, money or property accruing or offered at any time in relation to any Isle of Man Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

9.3 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement, create or permit to subsist any Security on any Security Asset (except for the Security created under the relevant Isle of Man Share Charge);

9.4 undertakes not to (except as expressly allowed in the Credit Suisse Facilities Agreement), sell, transfer, licence, lease or otherwise dispose of any Security Asset;

9.5 undertakes to:

- (a) promptly deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment; and
- (b) promptly execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner or otherwise obtain a legal title to any Investment;

9.6 save as permitted in the Senior Finance Documents, undertakes not to take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued;

9.7 agrees to promptly copy to the Security Trustee and comply with all requests for information which is within its knowledge and which are made under the laws of Isle

of Man or any relevant provision contained in any articles of association or other constitutional document relating to any of the Investments;

9.8 undertakes to pay to the Security Trustee, immediately on demand, the costs and expenses incurred by the Security Trustee in connection with:

- (a) the redemption by the Security Trustee of any prior Security against any Security Asset; and/or
- (b) the transfer of that Security to itself,

including the payment of any principal or interest;

9.9 agrees to:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with the relevant Isle of Man Share Charge by any Secured Creditor, Receiver, attorney, manager, agent or other person appointed by the Security Trustee under the relevant Isle of Man Share Charge 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 them indemnified against any failure or delay in paying those costs or expenses;

9.10 agrees to, at its own expense following a request from the Security Trustee, take whatever action the Security Trustee or a Receiver may require for:

- (a) creating, perfecting or protecting any Security intended to be created by the relevant Isle of Man Share Charge; or
- (b) facilitating the realisation of any Security Asset (following the occurrence of a Declared Default which is continuing), or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset,

including:

- (i) the execution of any transfer, conveyance, assignment, or assurance of any property, whether to the Security Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Security Trustee (acting reasonably) may think expedient;

9.11 waives any right it may have of first requiring any Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Company under the relevant Isle of Man Share Charge;

9.12 agrees that unless the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full or the Security Trustee otherwise requests, the Company will not, following the occurrence of a Declared Default:

- (a) be subrogated to any rights, security or moneys held, received or receivable by any Secured Creditor (or any trustee or agent on its behalf);
- (b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Company's liability, under the relevant Isle of Man Share Charge;
- (c) claim, rank, prove or vote as a creditor of the Company or its estate in competition with any Secured Creditor (or any trustee or agent on its behalf);
- (d) receive, claim or have the benefit of any payment, distribution or security from or on account of the Company, or exercise any right of set-off as against the Company; and

the Company agrees that it will hold in trust for and immediately pay or transfer to the Agent for the Secured Creditors any payment or distribution or benefit of security received by it contrary to the terms of this paragraph;

9.13 gives certain undertakings and representations which, if breached could result in the Company having to make payments as damages or otherwise;

10. By executing each Jersey Share Charge the Company:

10.1 covenants as primary obligor and not merely as surety, with the Security Trustee that it will on demand pay or discharge the Secured Obligations on the date or dates on which such Secured Obligations are expressed to become due and payable in accordance with the relevant Finance Document;

10.2

- (a) assigns title to the Collateral to the Security Trustee; and
- (b) agrees that, to the extent that it has not assigned to the Security Trustee, or perfected in its favour, title to any of the Affected Securities, the Security Trustee (and/or some other person chosen by the Security Trustee to act on its behalf) shall have possession of all certificates of title thereto;

10.3 undertakes not to (save as permitted in accordance with the Finance Documents) attempt to sell, create any Encumbrance over, withdraw, disburse, pay, assign or otherwise dispose of or deal with the Collateral or any interest in the Collateral;

10.4 shall promptly deliver and shall ensure that in the future there shall promptly be delivered to the Security Trustee or to its order:

- (a) the certificates of title to all Affected Securities; and
- (b) instruments of transfer in respect of all Affected Securities, duly executed by the holder but otherwise completed or partially completed in such manner as the Security Trustee requires;

- 10.5 undertakes promptly to give to the Security Trustee copies of any notices or other communications received by it with respect to the Collateral;
- 10.6 undertakes promptly to pay all calls and other payments due in respect of the Collateral without cost to the Security Trustee;
- 10.7 undertakes that, except as permitted in accordance with the Finance Documents to procure that without the prior written consent of the Security Trustee:
- (a) no further shares or other securities are issued by the Company to any person;
 - (b) no change is made to the Memorandum or Articles of Association of the Company or to the terms of issue of any Affected Securities; and
 - (c) the Company does not enter into any transaction other than on arm's length commercial terms
- 10.8 undertakes to provide, or procure the provision of, such financial and other information relating to the Company as the Security Trustee may from time to time reasonably require
- 10.9 agrees to keep the Security Trustee and its nominees, employees, delegates and agents at all times fully indemnified against all liabilities, payments, losses and expenses (including, without limitation, those arising by reason of calls, instalments, actions, claims, damages, costs and interest) reasonably and properly arising and occurring as a result of or in connection with:
- (a) the Security Trustee (or its nominee) having possession of the certificates of title to any Affected Securities or title to the Collateral;
 - (b) the performance of any function in relation to or the taking of any steps to perfect the security constituted under the relevant Jersey Share Charge; or
 - (c) the preservation, defence or enforcement of any rights of the Security Trustee under the Jersey Share Charge.
- 10.10 agrees that from time to time promptly upon the written request of the Security Trustee it shall execute and deliver to the Security Trustee all further instruments and documents which the Security Trustee may reasonably require for the purpose of obtaining the full benefit of the relevant Jersey Share Charge.:
- 10.11 irrevocably appoints the Security Trustee as the it's attorney (with full power of substitution) to sign, execute, seal, deliver, acknowledge, file, register and perfect any and all assurances, documents, instruments, agreements, transfers, certificates and consents whatsoever and to do any and all such acts and things whatever which it has capacity to do in relation to any matters dealt with in the Jersey Share Charge and which the Security Trustee may deem necessary or advisable in order to give full effect to the purposes of the relevant Jersey Share Charge;
- 10.12 covenants with the Security Trustee to ratify and confirm any lawful exercise or purported exercise of the power of attorney in 10.12 above.
- 10.13 gives certain undertakings and representations which, if breached could result in the Company having to make payments as damages or otherwise;

11. By executing and delivering, acceding to, or (as the case may be) removing the Financial Assistance Limitation under, each of the documents listed above to which it is a party, the Company:
- (a) gives various undertakings, representations and indemnities and grants security and the obligations of the Company under those documents will extend to obligations that would otherwise constitute a breach of section 151 of the Companies Act; and
 - (b) gives undertakings for further assurance whereby it agrees to take certain further actions in order to create, perfect or protect the Security or to facilitate the realisation of any asset subject to the Security, including the execution of further documents and other actions.

References in this form to any agreement or document (or any provision of, or definitions contained in, any document referred to therein) shall be construed as references to that agreement, that provision, that definition or that document as in force for the time being as amended, varied, supplemented or novated from time to time.

**Annexure D to Companies Form 155(6)a
Declaration by all the directors of the Company
in relation to assistance for acquisition of shares in the Company's holding company**

Definitions

In this Companies Form 155(6)a the following expressions have the following meanings:

"Agent" means Credit Suisse, London Branch.

"Account Bank" means a person with whom the Company maintains a bank account.

"Affected Securities" means Affected Securities as defined in the Jersey Share Charge.

"Assignment of Rents" means a Scots law assignment of rents granted or to be granted in favour of the Security Trustee.

"Business Days" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Care Contracts" means the contracts entered into from time to time by one or all of the Obligors with local authorities, health authorities, the Department of Social Security or with private residents (or a combination of them) for the provision of residential and nursing care services to the residents of a Care Home.

"Care Home" means a nursing or residential home providing medical or social care which is required to be registered pursuant to the relevant piece of legislation.

"Collateral" means Collateral as defined in the Jersey Share Charge.

"Event of Default" means an Event of Default as defined in the Credit Suisse Facilities Agreement.

"Declared Default" means an Event of Default in respect of which a notice has been given by the Security Trustee to Seniorco stating that such Event of Default has occurred.

"Facility Agreements" means the Credit Suisse Facilities Agreement, the RBS PIK Facility Agreement and the Allianz PIK Facility Agreement.

"Finance Documents" means the Finance Documents as defined in each of the Facility Agreements.

"Fixtures" means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on the Mortgaged Property.

"Finance Parties" means the Finance Parties as defined in each of the Facility Agreements.

"Financial Assistance Documents" means those documents listed in Annexure C.

"Financial Assistance Limitation" means the limitation on the obligations of the Company under the relevant Financial Assistance Documents, i.e. that they do not extend to obligations or liabilities thereunder which would result in the Company contravening section 151 of the Companies Act

"Freehold Property" means a heritable, long leasehold or freehold property owned by a member of the Group, as identified as such in Part 1 of Schedule 5 of the Credit Suisse

Facilities Agreement and, where the context so requires, includes the buildings on each such property.

"Group" means Fino Propco Holdco Limited and each of its subsidiaries from time to time.

"Guarantor" means a Guarantor as defined in each of the Facility Agreements.

"Hedging Agreement" means a Hedging Agreement as defined in the Credit Suisse Facilities Agreement.

"Hedging Counterparty" means a Hedge Counterparty as defined in the Credit Suisse Facilities Agreement.

"Investments" means:

- (a) all shares, stocks, debentures, bonds or other securities and investments included in the definition of Security Assets in the relevant Security document;
- (b) any dividend or interest paid or payable in relation to any of the above; and
- (c) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

"Isle of Man Share Charge" means a share charge governed by Manx law entered into by the Company in favour of the Security Trustee.

"Isle of Man Shares" means the shares in certain companies incorporated in the Isle of Man the subject of an Isle of Man Share Charge.

"Jersey Share Charge" means a security interest agreement with respect to share capital governed by the laws of the Island of Jersey in favour of the Security Trustee.

"Lease Document" means a Lease Document as defined in the Credit Suisse Facilities Agreement.

"Mortgaged Property" means all heritable, freehold or long leasehold property included in the definition of Security Assets, and where the context so requires, includes the buildings on each such property.

"Northern Irish Security Agreement" means a security agreement to be governed by Northern Irish law entered into by the Company in favour of the Security Trustee with regard to property located in Northern Ireland.

"Northern Irish Share Charge" means a share charge governed by Northern Irish law entered into by the Company in favour of the Security Trustee.

"Northern Irish Shares" means the shares in certain companies incorporated in Northern Ireland the subject of a Northern Irish Share Charge.

"Occupational Lease" means any lease or licence or other right of occupation or right to receive rent to which a Freehold Property may at any time be subject (but excluding any natural person's right to occupy a Freehold Property arising under or as a result of a Care Contract or other right of occupation of a patient or resident of a care home).

"Obligor" means an Obligor as defined in the Credit Suisse Facilities Agreement.

"Premises" means all buildings and erections included in the definition of Security Assets.

"Property" means Property as defined in the Credit Suisse Facility Agreement.

"Receiver" means an administrative receiver, receiver and manager or a receiver, in each case, appointed under the relevant Security Document.

"Relevant Contract" means:

- (a) each Care Contract which is capable of assignment; and
- (b) any other agreement to which the Company is a party and which the Security Trustee has designated in writing as a Relevant Contract.

"Rental Income" means Rental Income as defined in the Credit Suisse Facilities Agreement.

"Scottish Floating Charge" means a Scots law floating charge granted or to be granted by the Company where it has assets situated in Scotland.

"Scottish Security" means a Standard Security and/or an Assignment of Rents and/or a Scottish Floating Charge.

"Scottish Share Pledge" means a share pledge governed by Scots law entered into by the Company in favour of the Security Trustee.

"Secured Creditors" means the Secured Creditors as defined in the Intercreditor Agreement.

"Security" means the Security as defined in the Credit Suisse Facilities Agreement.

"Security Agreement" means a security deed governed by English law entered into by the Company in favour of the Security Trustee.

"Security Asset" means a Security Asset as defined in the relevant Security document.

"Secured Liabilities" means the Secured Liabilities as defined in the relevant Finance Document.

"Secured Obligations" means the Secured Obligations as defined in the Jersey Share Charge.

"Security Trustee" means the Security Trustee as defined in the Intercreditor Agreement.

"Senior Creditor" means each of the Finance Parties under the Credit Suisse Facilities Agreement.

"Senior Finance Document" means the Finance Documents as defined in the Credit Suisse Facility Agreement.

"Standard Conditions" means the standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended, and any lawful variation thereof operative for the time being.

"Standard Security" means a standard security in relation to a Property located in Scotland or to be granted in favour of the Security Trustee.



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The Directors
Four Seasons (H2) Limited
Emerson Court
Alderley Road
Wilmslow
Cheshire
SK9 1NX

Our ref nr/nh

19 October 2006

Dear Sirs

Auditors' report to the directors of Four Seasons (H2) Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 19 October 2006 in connection with the proposal that the company should give financial assistance for the purchase of the company's ultimate holding company's ordinary shares.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG LLP

KPMG LLP
Registered Auditor