



Registration of a Charge

Company name: **ASHLEY GRANGE NURSING HOME LIMITED**

Company number: **06531137**



Received for Electronic Filing: **10/11/2020**

Details of Charge

Date of creation: **02/11/2020**

Charge code: **0653 1137 0003**

Persons entitled: **NATIONAL WESTMINSTER BANK PLC (AS SECURITY TRUSTEE FOR THE SECURED PARTIES)**

Brief description: **ALL ESTATES AND INTERESTS IN FREEHOLD, LEASEHOLD AND OTHER IMMOVABLE PROPERTY (WHEREVER SITUATED) NOW OR IN FUTURE BELONGING TO THE COMPANY, OR IN WHICH THE COMPANY HAS AN INTEREST AT ANY TIME (INCLUDING THE LAND AND BUILDINGS KNOWN AS ASHLEY GRANGE NURSING HOME, LODGE HILL, DOWNTON, SALISBURY HOME LIMITED (SP5 3PP) (TITLE NUMBER WT171902)), TOGETHER WITH ALL BUILDINGS AND FIXTURES (INCLUDING TRADE FIXTURES) AND FIXED PLANT AND MACHINERY AT ANY TIME THEREON; ALL EASEMENTS, RIGHTS AND AGREEMENTS IN RESPECT THEREOF; AND THE BENEFIT OF ALL COVENANTS GIVEN IN RESPECT THEREOF. ALL LEGAL AND/OR EQUITABLE INTERESTS (INCLUDING, WITHOUT LIMITATION, THE BENEFIT OF ALL LICENCES IN ANY PART OF THE WORLD) OF THE COMPANY IN, OR RELATING TO ANY PATENTS, TRADE MARKS, SERVICE MARKS, DESIGNS, BUSINESS NAMES, COPYRIGHTS, DATABASE RIGHTS, DESIGN RIGHTS, DOMAIN NAMES, MORAL RIGHTS, INVENTIONS, CONFIDENTIAL INFORMATION, KNOW-HOW AND OTHER INTELLECTUAL PROPERTY RIGHTS AND INTERESTS (WHICH MAY NOW OR IN THE FUTURE SUBSIST), WHETHER REGISTERED OR UNREGISTERED; AND THE BENEFIT OF ALL APPLICATIONS AND RIGHTS TO USE SUCH ASSETS OF THE COMPANY (WHICH MAY NOW OR IN THE FUTURE SUBSIST). FOR MORE DETAILS PLEASE SEE THE CHARGING INSTRUMENT.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ALICE METE TLT LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6531137

Charge code: 0653 1137 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd November 2020 and created by ASHLEY GRANGE NURSING HOME LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th November 2020 .

Given at Companies House, Cardiff on 11th November 2020

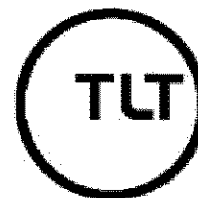
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



EXECUTION VERSION

Group Debenture

- (1) **Ashley Grange Nursing Home Limited**
as Original Chargor
- (2) **National Westminster Bank Plc**
as Security Agent

Dated 2 November 2020

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This Deed is made the 2 day of November 2020

Between:

- (1) **ASHLEY GRANGE NURSING HOME LIMITED** a company incorporated and registered in England and Wales with company number 06531137 whose registered office is at 2nd Floor Clifton House, Bunnian Place, Basingstoke, England, RG21 7JE (the **Original Chargor**); and
- (2) **NATIONAL WESTMINSTER BANK PLC** (as security trustee for the Secured Parties (as defined below)) (in such capacity, the **Security Agent**).

It is agreed as follows:

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed terms defined in, or construed for the purposes of, the Facility Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed) and at all times the following terms have the following meanings:

Accession Deed	means an accession deed substantially in the form set out in Schedule 5 (<i>Form of Accession Deed</i>)
Account Bank	means National Westminster Bank Plc;
Act	means the Law of Property Act 1925
Agent	means the agent under the Facility Agreement
Assigned Assets	means the Security Assets expressed to be assigned pursuant to clause 4.2 (<i>Security assignments</i>)
CA 2006	means the Companies Act 2006
Charged Accounts	means the accounts specified in Part 3 of Schedule 1 (<i>Details of Security Assets</i>), together with all additions to or renewals or replacements thereof
Charged Investments	means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities
Charged Securities	means: <ol style="list-style-type: none">(a) the securities specified in Part 2 of Schedule 1 (<i>Details of Security Assets</i>); and(b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Chargor has an interest at any time
Chargors	means:

	<p>(a) the Original Chargor; and</p> <p>(b) any other company which accedes to this Deed pursuant to an Accession Deed</p>
Debenture Security	means the Security created or evidenced by or pursuant to this Deed or any Accession Deed
Declared Default	means the Agent taking any steps to exercise any of its rights under clause 24.16 (<i>Acceleration</i>) following the occurrence of an Event of Default which is continuing
Default Rate	means the rates of interest determined in accordance with clause 11.3 (<i>Default interest</i>) of the Facility Agreement
Delegate	means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver
Development Document	has the meaning given in the Facility Agreement
Event of Default	has the meaning given in the Facility Agreement
Excluded Property	has the meaning given in clause 4.5.1 of this Deed
Facility Agreement	means the facility agreement dated 24 January 2020 and made between, amongst others, Hartford Care Group Limited as the Borrower, the Company and an Original Guarantor and National Westminster Bank Plc as the Original Lender, Arranger, Agent and Security Agent, pursuant to which the Original Lender agreed to make a £45,000,000 term loan facility (with the ability to increase to up to £55,000,000 in accordance with its terms) available to the Borrower
Insurances	means all policies of insurance (and all cover notes) which are at any time held by or written in favour of a Chargor, or in which a Chargor from time to time has an interest (including, without limitation, the policies of insurance (if any) specified in Part 6 of Schedule 1 (<i>Details of Security Assets</i>)) excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties
Intellectual Property	<p>means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of each Chargor in, or relating to:</p> <p>(a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and</p> <p>(b) the benefit of all applications and rights to use such assets of each Chargor (which may now</p>

	or in the future subsist), (including, without limitation, the intellectual property rights (if any) specified Part 4 of Schedule 1 (<i>Details of Security Assets</i>))
Material Contract	means the contracts (if any) specified in Part 5 of Schedule 1 (<i>Details of Security Assets</i>)
Party	means a party to this Deed
PSC Register	means "PSC register" within the meaning of section 790C(10) of the CA 2006
Real Property	means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to any Chargor, or in which any Chargor has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in Part 1 of Schedule 1 (<i>Details of Security Assets</i>), the schedule to any and each Supplemental Debenture and part 1 of schedule 2 to each and any Accession Deed (if any)), together with: <ul style="list-style-type: none"> (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon; (b) all easements, rights and agreements in respect thereof; and (c) the benefit of all covenants given in respect thereof
Receivables	means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with: <ul style="list-style-type: none"> (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and (b) all proceeds of any of the foregoing
Receiver	means a receiver, receiver and manager or (to the extent permitted by law) administrative receiver of the whole or any part of the Security Assets appointed by the Security Agent under this Deed
Related Rights	means, in relation to any Charged Security: <ul style="list-style-type: none"> (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in

paragraph (b) of this definition; and

- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise

Relevant Contract means each Material Contract (if any), including but not limited to those (if any) specified in Part 5 of Schedule 1 (*Details of Security Assets*) or specified in any Accession Deed as a "Material Contract", together with each other agreement supplementing or amending or novating or replacing the same and each agreement as may be stipulated or designated as a "Relevant Contract" by the Security Agent from time to time

Relevant Interest means any "relevant interest" (within the meaning of paragraph 2 of Schedule 1B to the CA 2006) in any Chargor or other member of the Group, and includes any Investments of any Chargor in any other Chargor or other member of the Group

Secured Obligations means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor (as such term is defined in the Facility Agreement) to any Secured Party under each Finance Document (including all monies covenanted to be paid under this Deed)

Secured Parties has the meaning given in the Facility Agreement

Security has the meaning given in the Facility Agreement

Security Assets means all of the assets of the Obligors (as such term is defined in the Facility Agreement) which from time to time are, or are expressed to be, the subject of the Transaction Security (as such term is defined in the Facility Agreement)

Security Period means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents

Supplemental Debenture means a supplemental debenture to this Deed in the form set out in Schedule 6 (*Supplemental Debenture*) or such other form as the Security Agent may require

1.2 Interpretation

1.2.1 Unless a contrary indication appears, in this Deed, the provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though

they were set out in full in this Deed, except that references to "this Agreement" will be construed as references to this Deed.

- 1.2.2 Unless a contrary indication appears, any reference in this Deed to:
- (a) a **Chargor**, the **Security Agent** or any other **Secured Party** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (b) this Deed, the **Facility Agreement** any other **Finance Document** or any other agreement or instrument is a reference to this Deed, the Facility Agreement, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances); and
 - (c) **Secured Obligations** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any member of the Group.
- 1.2.3 Each undertaking of a Chargor (other than a payment obligation) contained in this Deed:
- (a) must be complied with at all times during the Security Period; and
 - (b) is given by such Chargor for the benefit of the Security Agent and each other Secured Party.
- 1.2.4 The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.5 If the Security Agent or the Agent reasonably considers that an amount paid by any member of the Group to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.2.6 The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Joint and several

The liabilities and obligations of each Chargor under this Deed are joint and several. Each Chargor agrees to be bound by this Deed notwithstanding that any other Chargor which was intended to sign or be bound by this Deed did not so sign or is not bound by this Deed.

1.4 Trust

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time. The perpetuity period for any trusts in this Deed is 125 years.

1.5 Full title guarantee

Any Security or disposition which is expressed to be made with "full title guarantee" shall be construed so that all covenants implied by the Law of Property (Miscellaneous Provisions) Act 1994 shall be subject to any Permitted Security, the Legal Reservations and any matter referred to in any Property Report (as each such term is defined in the Facility Agreement).

1.6 Third party rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

2 COVENANT TO PAY

2.1 Covenant to pay

2.1.1 Each Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due and payable in accordance with the Finance Documents.

2.1.2 Every payment by a Chargor of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1.1.

2.2 Default interest

Any amount which is not paid under this Deed when due and payable shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis:

2.2.1 at the rate and in the manner agreed in the Finance Document under which such amount is payable; or

2.2.2 (in the absence of such agreement) at the Default Rate as determined under the Facility Agreement from time to time. In such a case default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Security Agent (acting on the instructions of the Agent) states are appropriate.

3 NATURE OF SECURITY

All Security and dispositions created or made by or pursuant to this Deed are created or made:

3.1 in favour of the Security Agent;

3.2 over present and future assets of the Chargor;

3.3 with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and

3.4 as continuing security for payment of the Secured Obligations.

4 CREATION OF SECURITY

4.1 Fixed charges

Each Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- 4.1.1 by way of first legal mortgage, the Real Property (if any) specified in Part 1 of Schedule 1 (*Details of Security Assets*);
- 4.1.2 by way of first fixed charge:
 - (a) all other Real Property and all interests in Real Property (not charged by clause 4.1.1);
 - (b) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (c) the proceeds of sale of all Real Property, other than, in each case, any Excluded Property.
- 4.1.3 by way of first fixed charge all plant and machinery (not charged by clause 4.1.1 or 4.1.2) and the benefit of all contracts, licences and warranties relating to the same;
- 4.1.4 by way of first fixed charge:
 - (a) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1.3); and
 - (b) the benefit of all contracts, licences and warranties relating to the same;
- 4.1.5 by way of:
 - (a) first legal mortgage the Charged Securities referred to in Part 2 of Schedule 1 (*Details of Security Assets*); and
 - (b) first fixed charge all other Charged Securities (not charged by clause 4.1.5(a)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- 4.1.6 by way of first fixed charge:
 - (a) each Charged Account and all monies at any time standing to the credit of each Charged Account; and
 - (b) all accounts of such Chargor with any bank, financial institution or other person at any time (not charged by clauses 4.1.6(a)) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- 4.1.7 by way of first fixed charge:
 - (a) the Intellectual Property (if any) specified in Part 4 of Schedule 1 (*Details of Security Assets*); and

- (b) all other Intellectual Property (if any) (not charged by clause 4.1.7(a));
- 4.1.8 to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- 4.1.9 by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed);
- (a) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of such Chargor or the use of any of its assets; and
- (b) any letter of credit issued in favour of such Chargor and all bills of exchange and other negotiable instruments held by it; and
- 4.1.10 by way of first fixed charge all of the goodwill and uncalled capital of such Chargor.

4.2 Security assignments

Each Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- 4.2.1 the Relevant Contracts and each Development Document, all rights and remedies in connection with the Relevant Contracts and each Development Document, and all proceeds and claims arising from them and the benefit of all other agreements, instruments and rights relating to the Security Assets;
- 4.2.2 each of the following:
 - (a) all Insurances specified in Part 6 of Schedule 1 (*Details of Security Assets*);
 - (b) all other Insurances (not assigned by clauses 4.2.2(a));
 - (c) all claims under the Insurances and all proceeds of the Insurances;
- 4.2.3 all other Receivables (not assigned under clauses 4.2.1 or 4.2.2); and
- 4.2.4 all Rental Income.

To the extent that any Assigned Asset is not assignable, the assignment which that clause purports to effect shall operate instead as an assignment of all present and future rights and claims of such Chargor to any proceeds of such Insurances, Receivables or Relevant Contracts.

4.3 Notice of assignment and/or charge - immediate notice

Each Chargor shall:

- 4.3.1 in respect of each of its Insurances, send a duly completed notice of assignment to the relevant insurer within 30 days of executing this Deed and within 30 days of it obtaining any other Insurance, and shall use its reasonable endeavours to procure that each such insurer executes and delivers to the Security Agent an acknowledgement, in each case substantially in the respective forms set out in Schedule 4 (*Form of notice to and acknowledgement by insurers*);
- 4.3.2 in respect of each Relevant Contract or Development Document, to the extent that such Chargor is a party to the relevant document, within 3 Business Days of the execution of this Deed send a duly completed notice

of assignment to each other party to that document, and use its reasonable endeavours to procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case substantially in the respective forms set out in Schedule 3 (*Form of notice to and acknowledgement by party to Relevant Contract or Development Document*); and

- 4.3.3 in respect of any Charged Accounts in place as at the date hereof (if any) (and promptly upon any Charged Account being opened) promptly deliver a duly completed notice to the Account Bank and use its reasonable endeavours to procure that the Account Bank executes and delivers to the Security Agent an acknowledgement, in each case substantially in the respective forms set out in Schedule 2 (*Form of notice to and acknowledgement from Account Bank*);

or, in each case, in such other form as the Security Agent shall agree and provided that, in the case of clause 4.3.3 above, the execution of this Deed shall constitute notice to, and acknowledgment by, the Account Bank of any Charged Account opened with National Westminster Bank Plc.

4.4 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

4.5 Leasehold interests containing prohibition on charging

- 4.5.1 Until the relevant consent shall have been obtained, there shall be excluded from the charges created by clause 4.1 (*Fixed charges*) (and the further assurance provisions set out in clause 19 (*Further Assurances*)) any leasehold property held by any Chargor under a lease and any other property where the freehold is not owned by a Chargor where the terms of such lease or other arrangement either preclude absolutely the relevant Chargor from creating any charge over its leasehold or other interest in such property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an **Excluded Property**).

- 4.5.2 With regard to each Excluded Property in respect of which the Chargor's title is or would be required to be registered at HM Land Registry, the relevant Chargor hereby undertakes within 14 days of receipt of a written request from the Security Agent to make application for the consent of the third party from whom consent is required and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent, to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations with such third parties.

- 4.5.3 Forthwith upon receipt of any such third party consent, the relevant Excluded Property shall thereupon be charged to the Security Agent pursuant to the terms of clause 4.1 (*Fixed charges*) (or, as the case may be, clause 5 (*Floating charge*)). If required by the Security Agent in respect of any Excluded Property, at any time following receipt of such consent the relevant Chargor will execute a fixed charge in favour of, and in such form as is required by, the Security Agent, subject only to the same containing terms and conditions which are no more onerous than those contained herein.

5 FLOATING CHARGE

5.1 Each Chargor charges and agrees to charge by way of first floating charge all of its present and future:

5.1.1 assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed; and

5.1.2 (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

5.2 The floating charge created by or pursuant to this Deed is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

6 CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

The Security Agent may, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of such Chargor specified in the notice if:

6.1.1 an Event of Default has occurred and is continuing; or

6.1.2 the Security Agent (acting reasonably) considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

6.2 Small companies

The floating charge created under this Deed by any Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

6.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

6.3.1 in relation to any Security Asset which is subject to a floating charge if:

(a) such Chargor creates (or attempts or purports to create) any Security (other than Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or

(b) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and

6.3.2 over all Security Assets of a Chargor which are subject to a floating charge if an administrator is appointed in respect of such Chargor or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

6.4 Scottish property

Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

6.5 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of any Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties.

7 CONTINUING SECURITY

7.1 Continuing security

The Security constituted by this Deed is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

7.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

7.3 Right to enforce

This Deed may be enforced against each or any Chargor without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

8 LIABILITY OF CHARGORS RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets and, notwithstanding any Security constituted or purported to be constituted by this Deed, the relevant Chargor shall be free to deal with such assets in accordance with, and subject to compliance with, the terms of the Finance Documents. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

9 REPRESENTATIONS

9.1 General

Each Chargor makes the representations and warranties set out in this clause 9 to the Security Agent and to each other Secured Party.

9.2 Charged Securities

The Charged Securities listed in Part 2 of Schedule 1 (*Details of Security Assets*) constitute the entire share capital owned by each Chargor in the relevant company as at the date of this Deed.

9.3 Real Property

In relation to the Real Property Part 1 of Schedule 1 (*Details of Security Assets*) identifies all freehold and leasehold Real Property (if any) which is beneficially owned by each Chargor at the date of this Deed and which is not Excluded Property.

9.4 PSC Register

The copy of its PSC Register (and that of each other member of the Group, in each case, if that Chargor or other member of the Group is required to maintain one) that was delivered to the Security Agent on or prior to the date of this Deed:

- 9.4.1 was correct and complete as at the date it was given;
- 9.4.2 has not been amended or superseded since that date, except to the extent notified in accordance with clause 10.7.9 of this Deed; and
- 9.4.3 sets out the "required particulars" (within the meaning of section 790K of the CA 2006) and any other information prescribed under Part 21A of the CA 2006 (including section 790M) and/or any associated law, in each case, in relation to all of the Relevant Legal Entities and Persons with Significant Control that are "registrable" (within the meaning of section 790C(4) or section 790C(8), as applicable) in respect of that Chargor (or that other member of the Group) in accordance with Part 21A of the CA 2006.

9.5 Time when representations made

- 9.5.1 All the representations and warranties in this clause 9 are made by the Original Chargor on the date of this Deed and (except for those in clause clause 9.2 (*Charged Securities*) and clause 9.3 (*Real Property*)) are also deemed to be made by each Chargor:
 - (a) on the date of the Utilisation Request and the Utilisation Date;
 - (b) on the first day of each Interest Period under the Facility Agreement;
 - (c) on the date of each Incremental Facility Notice;
 - (d) on each Establishment Date; and
 - (e) (in the case of a company that accedes to the terms of this Deed pursuant to an Accession Deed) on the day on which it becomes a Chargor.
- 9.5.2 Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

10 UNDERTAKINGS BY THE CHARGORS

10.1 Negative pledge and Disposals

No Chargor shall do or agree to do any of the following without the prior written consent of the Security Agent:

- 10.1.1 create or permit to subsist any Security or Quasi-Security on any Security Asset except for Permitted Security; or
- 10.1.2 sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset, except for a Permitted Disposal or where the same is expressly permitted under clause 24.16 (*Disposals*) of the Facility Agreement.

10.2 Notice of this Deed

Each Chargor shall, as soon as reasonably practicable following request by the Security Agent if an Event of Default is continuing, affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for the time being owned by it (in a prominent position) a durable notice of this Deed (in any form reasonably required by the Security Agent).

10.3 Real Property undertakings - acquisitions and notices to HM Land Registry

10.3.1 Each Chargor shall notify the Security Agent as soon as reasonably practicable after the acquisition of any estate or interest in any freehold or leasehold property after the date of this Deed.

10.3.2 Each Chargor shall execute and deliver to the Security Agent a Supplemental Debenture in respect of any freehold or leasehold property acquired by it after the date of this Deed within one Business Day of such acquisition.

10.4 Dealings with and realisation of Receivables and Charged Accounts

10.4.1 Each Chargor shall:

(a) without prejudice to clause 10.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent, factor or discount any Receivable; and

(b) collect all Receivables in the ordinary course of trading as agent for the Security Agent.

10.4.2 At all times prior to the occurrence of a Declared Default, each Chargor shall be free to deal with the Receivables in any manner which complies with the terms of the Facility Agreement. Following a Declared Default, each Chargor shall deal with the Receivables in accordance with any directions given in writing from time to time by the Security Agent and, in default of and subject to such directions, in accordance with this Deed.

10.4.3 Each Chargor shall deliver to the Security Agent such information as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require (taking into account the requirements of the Finance Documents).

10.5 Operation of Charged Accounts

10.5.1 No Chargor shall withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Charged Account without the prior written consent of the Security Agent and the Security Agent shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.

10.5.2 If the right of a Chargor to request a withdrawal by the Security Agent of the proceeds of any Receivables standing to the credit of a Charged Account results in the charge over that Charged Account being characterised as a floating charge, that will not affect the nature of any other fixed security created by any Chargor under this Deed on all its outstanding Receivables.

10.6 Change of Account Bank

10.6.1 The Account Bank may only be changed to another bank or financial institution with the consent of the Company and the Security Agent.

- 10.6.2 A change only becomes effective when the proposed new Account Bank agrees with the Security Agent and the relevant Chargors (in a manner satisfactory to the Security Agent) to fulfil the role of the Account Bank under this Deed.
- 10.6.3 If there is a change of Account Bank, the net amount (if any) standing to the credit of the relevant Charged Accounts maintained with the old Account Bank will be transferred to the corresponding Charged Accounts maintained with the new Account Bank immediately upon the appointment taking effect. By this Deed each Chargor irrevocably gives all authorisations and instructions necessary for any such transfer to be made.
- 10.6.4 Each Chargor shall take any action which the Security Agent (acting reasonably) requires to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms).

10.7 Charged Investments - protection of security

- 10.7.1 Each Chargor shall, on the date of delivery of this Deed or (if later) as soon as is reasonably practicable after its acquisition of any Charged Securities (and after completion of any stamping in respect of share certificates), by way of security for the Secured Obligations:
- (a) deposit with the Security Agent (or as the Security Agent may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Related Rights; and
 - (b) execute and deliver to the Security Agent:
 - (i) instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
 - (ii) such other documents as the Security Agent shall reasonably require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser).
- 10.7.2 In respect of any Charged Investment held by or on behalf of any nominee of any clearance or settlement system, each Chargor shall on the date of delivery of this Deed or (if later) as soon as reasonably practicable following the acquisition of an interest in such Charged Investment deliver to the Security Agent duly executed stock notes or other document in the name of the Security Agent (or as it may direct) issued by such nominee and representing or evidencing any benefit or entitlement to such Charged Investment.
- 10.7.3 Each Chargor shall:
- (a) promptly give notice to any custodian of any agreement with such Chargor in respect of any Charged Investment in a form the Security Agent may reasonably require; and
 - (b) use its reasonable endeavours to ensure that the custodian acknowledges that notice in such form as the Security Agent may reasonably require.
- 10.7.4 Each Chargor shall, if requested to do so by the Security Agent (which such request may only be made if an Event of Default is continuing):
- (a) instruct any clearance system to transfer any Charged Investment held by it for such Chargor or its nominee to an account of the Security Agent or its nominee with such clearance system; and

- (b) take whatever action the Security Agent may request for the dematerialisation or rematerialisation of any Charged Investment held in a clearance system.
- 10.7.5 Without prejudice to the rest of this clause 10.7, the Security Agent may, at any time whilst an Event of Default is continuing and at the expense of the relevant Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Charged Investments.
- 10.7.6 Each Chargor shall promptly pay all calls or other payments which may become due in respect of its Charged Investments.
- 10.7.7 No Chargor shall nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- 10.7.8 Each Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments which are made under section 793 of the Companies Act 2006 or under any similar provision contained in the articles of association or other constitutional documents of the relevant company relating to the Charged Investments and, if it fails to do so, the Security Agent may provide such information as it may have on behalf of such Chargor.
- 10.7.9 Each Chargor shall promptly:
 - (a) notify the Security Agent of any change that it makes to its PSC Register (if it is required to maintain one); and
 - (b) provide to the Security Agent a copy of its updated PSC Register (if it is required to maintain one), which such updated PSC Register shall comply in all respects with all applicable laws.
- 10.7.10 No Chargor shall (and shall procure that no other member of the Group shall) exercise its right to issue a "warning notice" or "restrictions notice" (as each such term is defined under paragraph 1 of Schedule 1B to the CA 2006) in respect of any Relevant Interest of any Chargor, any other member of the Group or any Affiliate of any member of the Group.
- 10.7.11 No Chargor shall (and shall procure that no other member of the Group shall) make any application (or similar) to the court under Schedule 1B to the CA 2006 in respect of any Relevant Interest of any Chargor, any other member of the Group or any Affiliate of any member of the Group without the Security Agent's consent.
- 10.7.12 Each Chargor shall (and shall procure that each other member of the Group) actively assist the Security Agent with any application (or similar) to the court that it makes under Schedule 1B to the CA 2006 in respect of any Relevant Interest of any Chargor, any other member of the Group or any Affiliate of any member of the Group, and provide the Security Agent with all information, documents and evidence that it may reasonably request in connection with the same.
- 10.7.13 Each Chargor authorises the Security Agent to:
 - (a) comply with the terms of any notice that the Security Agent receives under section 790D of the CA 2006; and
 - (b) (on behalf of that Chargor) respond to:

- (i) any notice that such Chargor receives under section 790D or 790E of the CA 2006, where that Chargor fails to comply with the terms of that notice within the timeframe specified in that notice; and
- (ii) any request referred to in paragraph 10.7.8 above received by that Chargor, where that Chargor fails to comply with the terms of that request within the timeframe specified in that request or any other necessary timeframe,

and each Chargor waives any breach of clause 39 (*Confidential Information*) of the Facility Agreement that may occur as a result of the Security Agent taking any action under this clause 11.10.14.

10.8 Rights of the Parties in respect of Charged Investments

10.8.1 Until a Declared Default occurs, each Chargor shall be entitled to:

- (a) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
- (b) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights permitted by the Finance Documents.

10.8.2 At any time following the occurrence of a Declared Default (and only following the occurrence of a Declared Default), the Security Agent may complete the instrument(s) of transfer for all or any Charged Securities on behalf of any Chargor in favour of itself or such other person as it may select.

10.8.3 At any time when any Charged Security is registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to:

- (a) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
- (b) verify that the correct amounts are paid or received; or
- (c) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security.

11 POWER TO REMEDY

11.1 Power to remedy

If at any time a Chargor does not comply with any of its obligations under this Deed taking into account any applicable grace periods permitted under the terms of the Facility Agreement, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Chargor irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of such Chargor) which are necessary or desirable to rectify that default.

11.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 11 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

11.3 Monies expended

The relevant Chargor shall pay to the Security Agent on demand any monies which are expended by the Security Agent in exercising its powers under this clause 11, together with interest at the Default Rate determined under the Facility Agreement from the date on which those monies were expended by the Security Agent (both before and after judgment) and otherwise in accordance with clause 2.2 (*Default interest*).

12 WHEN SECURITY BECOMES ENFORCEABLE

12.1 When enforceable

This Debenture Security shall become immediately enforceable upon the occurrence of a Declared Default.

12.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of a Declared Default.

12.3 Enforcement

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

13 ENFORCEMENT OF SECURITY

13.1 General

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

13.2 Powers of leasing

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

13.3 Powers of Security Agent

13.3.1 At any time after the Debenture Security becomes enforceable (or if so requested by any Chargor by written notice at any time), the Security Agent may without further notice (unless required by law):

- (a) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
- (b) appoint or apply for the appointment of any person who is appropriately qualified as administrator of a Chargor; and/or
- (c) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
- (d) exercise (in the name of any Chargor and without any further consent or authority of such Chargor) any voting rights and any powers or rights which

may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them.

- 13.3.2 The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of any Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

13.4 Redemption of prior mortgages

At any time after the Debenture Security has become enforceable, the Security Agent may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on each Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Security Agent on demand.

13.5 Privileges

- 13.5.1 Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- 13.5.2 To the extent that the Security Assets constitute **financial collateral** and this Deed and the obligations of the Chargors under this Deed constitute a **security financial collateral arrangement** (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) each Receiver and the Security Agent shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- 13.5.3 For the purpose of clause 13.5.2 above, the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

13.6 No liability

- 13.6.1 Neither the Security Agent, any other Secured Party nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- 13.6.2 Without prejudice to the generality of clause 13.6.1, neither the Security Agent, any other Secured Party nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

13.7 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire:

- 13.7.1 whether the Secured Obligations have become payable;
- 13.7.2 whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable;
- 13.7.3 whether any money remains due under any Finance Document; or
- 13.7.4 how any money paid to the Security Agent or to the Receiver is to be applied.

14 RECEIVER

14.1 Removal and replacement

The Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

14.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

14.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent).

14.4 Payment by Receiver

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Obligations shall be capable of being applied by the Security Agent in discharge of the Secured Obligations.

14.5 Agent of Chargors

Any Receiver shall be the agent of the Chargor in respect of which it is appointed. Such Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to such Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

15 POWERS OF RECEIVER

15.1 General powers

Any Receiver shall have:

- 15.1.1 all the powers which are conferred on the Security Agent by clause 13.3 (*Powers of Security Agent*);
- 15.1.2 all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;

15.1.3 (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and

15.1.4 all powers which are conferred by any other law conferring power on receivers.

15.2 Additional powers

In addition to the powers referred to in clause 15.1 (*General powers*), a Receiver shall have the following powers:

- 15.2.1 to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- 15.2.2 to manage the Security Assets and the business of any Chargor as he thinks fit;
- 15.2.3 to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- 15.2.4 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;
 - (a) fixtures may be severed and sold separately from the Real Property containing them, without the consent of any Chargor;
 - (b) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (c) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- 15.2.5 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which any Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- 15.2.6 to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the relevant Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Chargor;
- 15.2.7 to take any such proceedings (in the name of any of the relevant Chargors or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- 15.2.8 to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- 15.2.9 to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Agent shall direct);

- 15.2.10 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- 15.2.11 to form one or more Subsidiaries of any Chargor and to transfer to any such Subsidiary all or any part of the Security Assets;
- 15.2.12 to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- 15.2.13 to:
 - (a) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (b) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (c) use the name of any Chargor for any of the above purposes.

16 APPLICATION OF PROCEEDS

16.1 Application

All monies received by the Security Agent or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Debenture Security) be applied in the following order:

- 16.1.1 first, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made, by the Security Agent, any other Secured Party or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- 16.1.2 secondly, in or towards satisfaction of the remaining Secured Obligations; and
- 16.1.3 thirdly, in payment of any surplus to any Chargor or other person entitled to it.

16.2 Contingencies

If the Debenture Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), the Security Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Security Agent (acting reasonably) may determine).

16.3 Appropriation and suspense account

- 16.3.1 Subject to clause 16.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- 16.3.2 Any such appropriation shall override any appropriation by any Chargor.
- 16.3.3 All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the

Security Agent determines (with interest accruing thereon at such rate (if any) as the Security Agent may determine) without the Security Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations unless and until the amounts standing to the credit of such suspense account are sufficient to discharge the Secured Obligations in full.

17 SET-OFF

17.1 Set-off rights

- 17.1.1 The Security Agent and each other Secured Party may (but shall not be obliged to) set off any matured obligation due from any Chargor under the Finance Documents (to the extent beneficially owned by the Security Agent or that Secured Party) against any matured obligation owed by the Security Agent or that Secured Party to that Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- 17.1.2 At any time after the Debenture Security has become enforceable (and in addition to its rights under clause 17.1.1), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by a Chargor under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- 17.1.3 If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

17.2 Time deposits

Without prejudice to clause 17.1 (*Set-off*), if any time deposit matures on any account which any Chargor has with the Security Agent or any other Secured Party at a time within the Security Period when:

- 17.2.1 this Debenture Security has become enforceable; and
- 17.2.2 no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party in its absolute discretion considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing.

18 DELEGATION

Each of the Security Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. After the occurrence of a Declared Default, neither the Security Agent nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default or omission on the part of any Delegate unless it is caused by gross negligence or wilful misconduct.

19 FURTHER ASSURANCES

19.1 Further action

Each Chargor shall (and the Company shall procure that each Chargor shall) at its own expense, promptly do all acts and execute all documents as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) for:

- 19.1.1 creating, perfecting, maintaining or protecting the Security intended to be created by this Deed or any other Transaction Security Document;
- 19.1.2 after the occurrence of a Declared Default, facilitating the realisation of any Security Asset;
- 19.1.3 after the occurrence of a Declared Default, facilitating the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law; or
- 19.1.4 creating and perfecting Security in favour of the Security Agent or the Secured Parties over any property and assets of such Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed or any other Transaction Security Document.

This includes:

- 19.1.5 the re-execution of this Deed or such Transaction Security Document;
- 19.1.6 subject to the terms of the Facility Agreement, the execution of a Supplemental Debenture, any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Agent or to its nominee; and
- 19.1.7 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may (acting reasonably) consider to be necessary.

20 POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action which such Chargor is obliged to take under this Deed, including under clause 19.1 (*Further assurances*), provided that the Security Agent shall not be entitled to take any action under this clause 20 unless an Event of Default is continuing. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to the proper exercise of its rights under this clause.

21 CURRENCY CONVERSION

All monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Agent or the Receiver considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Agent's spot rate of exchange. Neither the Security Agent nor any Receiver shall have any liability to any Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

22 CHANGES TO THE PARTIES

22.1 Chargors

No Chargor may assign any of its rights or obligations under this Deed.

22.2 Security Agent

The Security Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Security Agent in accordance with the Facility Agreement. Each Chargor shall, at the cost of the Security Agent, promptly following it being requested to do so by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

22.3 Accession Deed

Each Chargor:

- 22.3.1 consents to new Subsidiaries of the Company becoming Chargors as contemplated by the Finance Documents; and
- 22.3.2 irrevocably authorises the Company to agree to, and execute as a deed, any duly completed Accession Deed as agent and attorney for and on behalf of such Chargor.

23 MISCELLANEOUS

23.1 New accounts

- 23.1.1 If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for any Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.
- 23.1.2 As from that time all payments made to the Security Agent or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

23.2 Tacking

- 23.2.1 Each Finance Party shall perform its obligations under the Facility Agreement (including any obligation to make available further advances).
- 23.2.2 This Deed secures advances already made and further advances to be made.

23.3 Land Registry

- 23.3.1 Each Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Security Agent) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer."

- 23.3.2 Each Chargor:
- (a) authorises the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed, the Facility Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
 - (b) shall use all reasonable endeavours to assist with any such application made by or on behalf of the Security Agent; and
 - (c) shall notify the Security Agent in writing promptly following it receiving notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Facility Agreement or any other Finance Document following its designation as an exempt information document.
- 23.3.3 No Chargor shall make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- 23.3.4 Each Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.

23.4 Protective clauses

- 23.4.1 Each Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of each Chargor under, and the Security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of a Chargor (whether or not known to it or to any Secured Party).
- 23.4.2 Clause 20 of the Facility Agreement (*Guarantee and indemnity*) applies in relation to this Deed as if references to the obligations referred to in such clauses respectively were references to the obligations of each Chargor under this Deed.

24 NOTICES

24.1 Facility Agreement

Subject to clause 24.2 (*Notices through the Company*):

- 24.1.1 clause 34 (*Notices*) of the Facility Agreement (other than clauses 34.3 (*Delivery*) and 34.6 (*Electronic communication*)) is incorporated into this Deed as if fully set out in this Deed; and
- 24.1.2 the address and email address of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Facility Agreement or this Deed.

24.2 Notices through the Company

- 24.2.1 All communications and documents from the Chargors shall be sent through the Company and all communications and documents to the Chargors may be sent through the Company.

24.2.2 Any communication or document made or delivered to the Company in accordance with this clause 24 will be deemed to have been made or delivered to each of the Chargors.

25 CALCULATIONS AND CERTIFICATES

Any certificate of or determination by a Secured Party, the Security Agent or the Agent specifying the amount of any Secured Obligation due from the Chargors (including details of any relevant calculation thereof) is, in the absence of manifest error, prima facie evidence against the Chargors of the matters to which it relates.

26 PARTIAL INVALIDITY

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

27 REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Security Agent (or any other Secured Party), any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

28 AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended only if the Security Agent and the Chargors or the Company on their behalf so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

29 COUNTERPARTS

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

30 RELEASE

30.1 Release

Upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Chargors, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security created by this Deed.

30.2 Permitted Disposals

If a Chargor makes a Permitted Disposal, the Security Agent shall, at the request and cost of the relevant Chargor, take whatever action is necessary to release or re-assign

(without recourse of warranty) the Security Assets which are the subject of the relevant disposal from the Security.

30.3 Reinstatement

Where any discharge (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargors under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

31 GOVERNING LAW

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

IN WITNESS of which this Deed has been duly executed by the Original Chargor as a deed and duly executed by the Security Agent and has been delivered by the Original Chargor on the date specified on page 1 above.

Schedule 1

Details of Security Assets

Part 1 Real Property

Registered land		
Chargor	Address	Title numbers
Ashley Grange Nursing Home Limited	Land and buildings known as Ashley Grange Nursing Home, Lode Hill, Downton, Salisbury (SP5 3PP)	WT171902

Part 2 Charged Securities

Chargor	Name of company in which shares are held (company number, England and Wales)	Class of shares held	Number of shares held	Issued share capital
<i>Intentionally left blank</i>				

Part 3 Charged Accounts

Account Holder	Account Number	Sort code	Account Bank
Ashley Grange Nursing Home Limited	██████	██████	Santander UK plc

Part 4 - Intellectual Property

Part 4A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction/apparent status	Classes	Mark text
Intentionally left blank				
Part 4B – Patents				
Proprietor/ADP number	Patent number		Description	
Intentionally left blank				

Part 5 - Material Contracts

Company	Date of Relevant Contract	Parties	Details of Relevant Contract
<i>Intentionally left blank</i>			

Part 6 - Insurances

Chargor	Insurer	Policy number
Ashley Grange Nursing Home Limited	Zurich Insurance plc	TCH021160

Schedule 2

Form of notice to and acknowledgement from Account Bank

To: [●insert name and address of Account Bank]

Dated: [●]

Dear Sirs

Re: Account Holder: [●] (the **Chargors**)

- 1 We give notice that, by a debenture dated [●] (the **Debenture**), we have charged to [●] (the **Security Agent**) as Security Agent for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to:
 - 1.1 [the [●] Account (as defined in the schedule to this letter), all monies standing to the credit of the [●] Account and all additions to or renewals or replacements thereof (in whatever currency); and]
 - 1.2 [the [●] Account (as defined in the schedule to this letter), all monies from time to time standing to the credit of the [●] Account and all additions to or renewals or replacements thereof (in whatever currency).](together the **Charged Accounts**) and to all interest from time to time accrued or accruing on the Charged Accounts, any investment made out of any such monies or account and all rights to repayment of any of the foregoing by you.
- 2 We advise you that, under the terms of the Debenture, we are not entitled to withdraw any monies from any of the Charged Accounts without first having obtained the prior written consent of the Security Agent.
- 3 We irrevocably authorise and instruct you from time to time:
 - 3.1 unless the Security Agent so authorises you in writing, not to permit withdrawals from any Charged Account;
 - 3.2 to hold all monies from time to time standing to the credit of each Charged Account to the order of the Security Agent;
 - 3.3 to pay all or any part of the monies standing to the credit of each Charged Account to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect;
 - 3.4 to disclose to the Security Agent such information relating to the Chargors and the Charged Accounts as the Security Agent may from time to time request you to provide.
- 4 We agree that you are not bound to enquire whether the right of the Security Agent to withdraw any monies from any Charged Account has arisen or be concerned with (a) the propriety or regularity of the exercise of that right or (b) notice to the contrary or (c) to be responsible for the application of any monies received by the Security Agent.
- 5 This notice may only be revoked or amended with the prior written consent of the Security Agent.
- 6 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to each Chargor) that you agree to the above and that:

- 6.1 you accept the authorisations and instructions contained in this notice and you undertake to comply with this notice;
- 6.2 you have not, at the date this notice is returned to the Security Agent, received notice of any assignment or charge of or claim to the monies standing to the credit of any Charged Account or the grant of any security or other interest over those monies or any Charged Account in favour of any third party and you will notify the Security Agent promptly if you should do so in the future; and
- 6.3 you do not at the date of this notice and will not, except as expressly permitted by this notice, in the future exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts.
- 7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

.....
For and on behalf of

Ashley Grange Nursing Home Limited

Schedule

[•] Account			
Account Holder	Account Number	Sort code	Account Bank and branch address
[•]	[•]	[•]	[•]

Acknowledgement to Notice of Charge of Accounts

To: National Westminster Bank Plc
as Security Agent

c/o TLT LLP
One Redcliff Street
Bristol, BS1 6TP
Attention: Samuel Hill

We acknowledge receipt of the above notice. We confirm and agree:

1. that the matters referred to in it do not conflict with the terms which apply to any Charged Account; and
2. the matters set out in the above notice.

.....
For and on behalf of

[Name of Account Bank]

Dated: 2020

Schedule 3

Form of notice to and acknowledgement by party to Relevant Contract or Development Document

To: [●] [Insert name and address of relevant party]

Dated: [●]

Dear Sirs

Re: [describe Relevant Contract / Development Document] dated [●] between (1) you and (2) [●] (the **Chargor**)

1. We give notice that, by a debenture dated [●] (the **Debenture**), we have assigned to [●] (the **Security Agent**) as Security Agent for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to [insert details of Relevant Contract / Development Document] (together with any other agreement supplementing or amending the same, the **Agreement**) including all rights and remedies in connection with the Agreement and all proceeds and claims arising from the Agreement.
2. We irrevocably authorise and instruct you from time to time to disclose to the Security Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Agreement as the Security Agent may from time to time request.
3. After you have received notice from the Security Agent that a Declared Default has occurred, we irrevocably authorise and instruct you from time to time:
 - 3.1. to hold sums from time to time due and payable by you to us under the Agreement to the order of the Security Agent;
 - 3.2. to pay or release all or any part of the sums from time to time due and payable by you to us under the Agreement only in accordance with the written instructions given to you by the Security Agent from time to time;
 - 3.3. to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Debenture or the Agreement or the debts represented thereby which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
 - 3.4. to send copies of all notices and other information given or received under the Agreement to the Security Agent.
4. After you have received notice from the Security Agent that a Declared Default has occurred, we are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Agreement or to agree any amendment or supplement to, or waive any obligation under, the Agreement without the prior written consent of the Security Agent.
5. This notice may only be revoked or amended with the prior written consent of the Security Agent.
6. Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that:
 - 6.1. you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;

- 6.2 you have not, at the date this notice is returned to the Security Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Agreement or any proceeds of it and you will notify the Security Agent promptly if you should do so in future;
- 6.3 after you have received notice from the Security Agent that a Declared Default has occurred, you will not permit any sums to be paid to us or any other person (other than the Security Agent) under or pursuant to the Agreement without the prior written consent of the Security Agent;
- 6.4 after you have received notice from the Security Agent that a Declared Default has occurred, you will not agree to terminate the Agreement or take any action to amend or supplement the Agreement without the prior written consent of the Security Agent as the proper counterparty under the Agreement and not us.
- 7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

.....
For and on behalf of

[relevant chargor]

Acknowledgement to Notice of Assignment of Contract

To: National Westminster Bank Plc (as Security Agent)
2nd Floor, Trinity Quay 2
Avon Street, Bristol, BS2 0PT

Attention: Nicky Hakim

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in clause 6 of the above notice.

.....

For and on behalf of

[•]

Dated: 2020

Schedule 4

Form of notice to and acknowledgement by insurers

To: [●Insert name and address of insurer]

Dated: [●]

Dear Sirs

[Describe insurance policies] dated [●] between (1) you and (2) [Ashley Grange Nursing Home Limited] (the **Chargor**)

1. We give notice that, by a debenture dated [●] (the **Debenture**), we have [assigned] to National Westminster Bank Plc (the **Security Agent**) as Security Agent for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to the policies (together with any other agreement supplementing or amending the same, the **Policies**) including all rights and remedies in connection with the Policies and all proceeds and claims arising from the Policies.
2. We irrevocably authorise and instruct you from time to time to disclose to the Security Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure) such information relating to the Policies as the Security Agent may from time to time request;
3. After you have received notice from the Security Agent that a Declared Default has occurred, we irrevocably authorise and instruct you from time to time:
 - 3.1 to hold all sums from time to time due and payable by you to us under the Policies to the order of the Security Agent;
 - 3.2 to pay or release all or any part of the sums from time to time due and payable by you to us under the Policies only in accordance with the written instructions given to you by the Security Agent from time to time;
 - 3.3 to comply with any written notice or instructions in any way relating to (or purporting to relate to) the Debenture, the sums payable to us from time to time under the Policies or the debts represented by them which you may receive from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
 - 3.4 to send copies of all notices and other information given or received under the Policies to the Security Agent.
4. After you have received notice from the Security Agent that a Declared Default has occurred, we are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policies or to agree any amendment or supplement to, or waive any obligation under, the Policies without the prior written consent of the Security Agent.
5. This notice may only be revoked or amended with the prior written consent of the Security Agent.
6. Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that:
 - 6.1 you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - 6.2 you have not, at the date this notice is returned to the Security Agent, received notice of the assignment or charge, the grant of any security or the existence of any other

interest of any third party in or to the Policies or any proceeds of them or any breach of the terms of any Policy and you will notify the Security Agent promptly if you should do so in future;

- 6.3 after you have received notice from the Security Agent that a Declared Default has occurred, you will not permit any sums to be paid to us or any other person under or pursuant to the Policies without the prior written consent of the Security Agent; and
- 6.4 after you have received notice from the Security Agent that a Declared Default has occurred, you will not agree to terminate the Policies or take any action to cancel, vary or waive, amend or supplement the Policies without the prior written consent of the Security Agent.
- 7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

.....
For and on behalf of
[relevant chargor]

Acknowledgement to Notice of Assignment of Insurance Policy

To: National Westminster Bank Plc (as Security Agent)
2nd Floor, Trinity Quay 2
Avon Street, Bristol, BS2 0PT

Attention: Nicky Hakim

Dear Sirs

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in clause 6 in the above notice.

.....
For and on behalf of

[•]

Dated: 2020

Schedule 5

Form of Accession Deed

This Accession Deed is made on 20[•]

Between

- (1) Each company listed in Schedule 1 (each an **Acceding Company**);
- (2) [•] (the **Company**); and
- (3) [•] (as Security Agent for the Secured Parties (as defined in the Debenture)) (the **Security Agent**).

Background

This Accession Deed is supplemental to a debenture dated [•] and made between (1) the Chargors named in it and (2) the Security Agent (the **Debenture**).

It is agreed:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in, or construed for the purposes of, the Debenture have the same meanings when used in this Accession Deed including the recital to this Accession Deed (unless otherwise defined in this Accession Deed).

1.2 Construction

Clause 1.2 (*Interpretation*) of the Debenture applies with any necessary changes to this Accession Deed as if it were set out in full in this Accession Deed.

1.3 Designation

This is a Transaction Security Document for the purposes of the Facility Agreement.

2 ACCESSION OF THE ACCEDING COMPANY

2.1 Accession

[The/Each] Acceding Company:

- 2.1.1 unconditionally and irrevocably undertakes to and agrees with the Security Agent to observe and be bound by the Debenture; and
- 2.1.2 creates and grants [at the date of this Deed] the charges, mortgages, assignments and other security which are stated to be created or granted by the Debenture,

as if it had been an original party to the Debenture as one of the Chargors.

2.2 Covenant to pay

Without prejudice to the generality of clause 2.1 (*Accession*), [the/each] Acceding Company (jointly and severally with the other Chargors [and each other Acceding Company]), covenants in the terms set out in clause 2 of the Debenture (*Covenant to pay*).

2.3 Charge and assignment

Without prejudice to the generality of clause 2.1 (*Accession*), [the/each] Acceding Company with full title guarantee, charges and assigns (and agrees to charge and assign) to the Security Agent for the payment and discharge of the Secured Obligations, all its right, title and interest in and to the property, assets and undertaking owned by it or in which it has an interest, on the terms set out in clauses 3 (*Nature of security*), clause 4 (*Creation of security*) and 5 (*Floating charge*) of the Debenture including (without limiting the generality of the foregoing):

- 2.3.1 by way of first legal mortgage the Real Property (if any) specified in Part 1 of Schedule 2 (*Details of Security Assets owned by Acceding Company*);
- 2.3.2 by way of first fixed charge:
 - (a) all other Real Property and all interests in Real Property (not charged by clause 4.1.1);
 - (b) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (c) the proceeds of sale of all Real Property,
other than, in each case, any Excluded Property.
- 2.3.3 by way of first fixed charge all plant and machinery (not charged by clause 4.1.1 or 4.1.2) and the benefit of all contracts, licences and warranties relating to the same;
- 2.3.4 by way of first fixed charge:
 - (a) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1.3); and
 - (b) the benefit of all contracts, licences and warranties relating to the same;
- 2.3.5 by way of:
 - (a) first legal mortgage the Charged Securities referred to in Part 2 of Schedule 2 (*Details of Security Assets owned by Acceding Company*); and
 - (b) first fixed charge all other Charged Securities (not charged by clause 4.1.5 4.1.5(a)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- 2.3.6 by way of first fixed charge:
 - (a) each Charged Account and all monies at any time standing to the credit of each Charged Account; and
 - (b) all accounts of such Chargor with any bank, financial institution or other person at any time (not charged by clauses 4.1.6(a)) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- 2.3.7 by way of first fixed charge:

- (a) the Intellectual Property (if any) specified in Part 4 of Schedule 2 (*Details of Security Assets owned by Acceding Company*); and
- (b) all other Intellectual Property (if any) (not charged by clause 4.1.74.1.7(a));
- 2.3.8 to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- 2.3.9 by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
 - (a) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of such Chargor or the use of any of its assets; and
 - (b) any letter of credit issued in favour of such Chargor and all bills of exchange and other negotiable instruments held by it; and
- 2.3.10 by way of first fixed charge all of the goodwill and uncalled capital of such Chargor.
- 2.3.11 by way of absolute assignment (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:
 - (a) the Relevant Contracts and Development Documents, all rights and remedies in connection with the Relevant Contracts and Development Documents and all proceeds and claims arising from them and the benefit of all other agreements, instruments and rights relating to the Security Assets;
 - (b) each of the following:
 - (i) all Insurances specified in Part 6 of Schedule 2 (*Details of Security Assets owned by Acceding Company*);
 - (ii) all other Insurances (not assigned by clauses 4.2.2(a));
 - (iii) all claims under the Insurances and all proceeds of the Insurances;
 - (c) all other Receivables (not assigned under clauses 4.2.1 or 4.2.2); and
 - (d) all Rental Income.

To the extent that any Assigned Asset is not assignable, the assignment which that clause purports to effect shall operate instead as an assignment of all present and future rights and claims of such Chargor to any proceeds of such Insurances, Receivables or Relevant Contracts.

2.4 Representations

[The/Each] Acceding Company makes the representations and warranties required pursuant to clause 9.5.1(e) (except for those in clause 9.2 (*Charged Securities*) and clause 9.3 (*Real Property*)) to the Debenture) as well as those set out in this clause (a):

- 2.4.1 The Charged Securities listed in [Part 2 of] Schedule 2 to the Accession Deed (*Details of Security Assets owned by the Acceding Companies*) constitute the entire share capital owned by each Acceding Company in the relevant company and constitute the entire share capital of each such company; and
- 2.4.2 In relation to the Real Property, [Part 1 of] Schedule 2 (*Details of Security Assets owned by the Acceding Companies*) identifies [all] freehold and

leasehold Real Property which is beneficially owned by each Acceding Company at the date of this Deed.

2.5 Consent

2.5.1 Pursuant to clause 22.3 (*Accession deed*) of the Debenture, the Company (as agent for itself and the existing Chargors):

- (a) consents to the accession of [the/each] Acceding Company to the Debenture on the terms of this Accession Deed; and
- (b) agrees that the Debenture shall, after the date of this Accession Deed, be read and construed as if [the/each] Acceding Company had been named in the Debenture as a Chargor.

3 CONSTRUCTION OF DEBENTURE

This Accession Deed shall be read as one with the Debenture so that all references in the Debenture to this Deed and similar expressions shall include references to this Accession Deed.

4 THIRD PARTY RIGHTS

A person who is not a party to this Accession Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Accession Deed.

5 NOTICE DETAILS

Notice details for [the/each] Acceding Company are those identified with its name below.

6 COUNTERPARTS

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

7 GOVERNING LAW

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

In witness of which this Accession Deed has been duly executed by [the/each] Acceding Company and the Company as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Accession Deed.

Schedule 1 to the Accession Deed

The Acceding Companies

Company name	Registered number	Registered office

Schedule 2 to the Accession Deed

Details of Security Assets owned by the Acceding Companies

Part 1 - Real Property

Registered land				
[Acceding Company]	Address	Administrative Area		Title number
Unregistered land				
[Acceding Company]	Address	Document describing the Real Property		
		Date	Document	Parties

Part 2 - Charged Securities

[Acceding Company]	Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital

Part 3 - Charged Accounts

Collection Accounts			
Account Holder	Account Number	Account Bank	Account bank branch address and sort code

Part 4 - Intellectual Property

Part 4A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction/apparent status	Classes	Mark text
Part 4B – Patents				
Proprietor/ADP number	Patent number	Description		

Part 5 - Material Contracts

[Acceding Company]	Date of Relevant Contract	Parties	Details of Relevant Contract

Part 6 - Insurances

[Acceding Company]	Insurer	Policy number

Schedule 6

Form of Supplemental Debenture

This Supplemental Debenture is made on

20[••]

Between:

- (1) [•] Limited, a company incorporated and registered in [England and Wales] with company number [•] whose registered office is at [•], as chargor (the **Chargor**); and
- (2) **National Westminster Bank Plc**, as Security Agent for the Secured Parties (as defined in the Debenture) (the **Security Agent**).

Background

- (A) Pursuant to the Original Debenture (as defined below), the Chargor created Security over all of its assets for, amongst other things, its present and future obligations and liabilities under the Finance Documents.
- (B) The Chargor has acquired interests in real property and the Chargor has agreed to enter into this Supplemental Debenture.
- (C) This Supplemental Debenture is supplemental to the Original Debenture (as defined below).

This Supplemental Debenture witnesses as follows:

1. Definitions and interpretation

1.1. Definitions

Terms defined in the Original Debenture shall, unless otherwise defined in this Supplemental Debenture or unless a contrary intention appears, bear the same meaning when used in this Supplemental Debenture and the following definitions shall apply:

"Additional Property" means:

- (a) all of the freehold and/or leasehold property of the Chargor specified in the schedule (*Additional Property*);
- (b) any buildings, fixtures, fittings, plant or machinery from time to time on or forming part of the property referred to in paragraph (a); and
- (c) the Related Rights arising in relation to any of the assets described in paragraphs (a) and (b).

"Original Debenture" means the group debenture, dated [•] 2020, between, amongst others, the Chargor and the Security Agent.

1.2. Construction

- (a) Unless a contrary intention appears, sub-clause 1.2 (*Construction*) of the Facility Agreement applies to this Supplemental Debenture, and shall be deemed to be incorporated into this Supplemental Debenture, mutatis

mutandis, as though set out in full in this Supplemental Debenture, with any reference to "this Agreement" being deemed to be a reference to "this Supplemental Debenture", subject to any necessary changes.

- (b) Any references to the Security Agent or any Receiver shall include its Delegate.

1.3. Law of Property (Miscellaneous Provisions) Act 1989

To the extent necessary for any agreement for the disposition of the Security Assets in this Supplemental Debenture to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Supplemental Debenture are incorporated into this Supplemental Debenture.

1.4. Implied covenants for title

The obligations of the Chargor under this Supplemental Debenture shall be in addition to the covenants for title deemed to be included in this Supplemental Debenture by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

1.5. Effect as a deed

This Supplemental Debenture is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

1.6. Trusts

- (a) The Security Agent holds the benefit of this Supplemental Debenture on trust for the Secured Parties in accordance with the terms of clause [●] of the Facility Agreement.
- (b) The perpetuity period for any trusts created by this Supplemental Debenture is 125 years.

2. Security Assets

For the payment and discharge of the Secured Obligations, on the terms set out in clauses 3 (Nature of security) of the Debenture:

- 2.1. The Chargor, as security for the payment of the Secured Obligations, charges in favour of the Security Agent, with full title guarantee, by way of legal mortgage, the Additional Property.
- 2.2. the Chargor assigns absolutely (subject to a proviso for reassignment on redemption) with full title guarantee to the Security Agent all of its present and future right, title and interest in and to:
 - (a) the Insurances and the Insurance Proceeds;
 - (b) all Rental Income;
 - (c) any Lease Document;
 - (d) any Development Document;
 - (e) any Relevant Document; and
 - (f) [other assets],

in each case relating to the Additional Property, together with all rights and remedies in connection therewith, and all proceeds and claims arising therefrom.

- 2.3. The Chargor hereby irrevocably consents to the Security Agent applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that Additional Property on the prescribed Land Registry form and in the following or substantially similar terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the supplemental debenture dated • in favour of • referred to in the charges register."

- 2.4. The Finance Parties must perform their obligations under the Facility Agreement (including any obligation to make available further advances). In relation to the Additional Property, the Security Agent may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Additional Property of the obligation to make further advances.

3. Incorporation

The provisions of clause 7 (*Continuing Security*) to clause 30 (*Release*) (inclusive) of the Original Debenture apply to this Supplemental Debenture as though they were set out in full in this Supplemental Debenture except that references to "**this Deed**" in the Original Debenture are to be construed as references to "this Supplemental Debenture".

4. Continuation

- 4.1. Except insofar as supplemental hereby, the Original Debenture will remain in full force and effect.
- 4.2. The Chargor agrees that the execution of this Supplemental Debenture shall in no way prejudice or affect the security granted by it (or the covenants given by it) under the Original Debenture.
- 4.3. References in the Original Debenture to "**this Deed**" and expressions of similar import shall be deemed to be references to the Original Debenture as supplemented by this Supplemental Debenture and to this Supplemental Debenture.
- 4.4. This Supplemental Debenture is designated as a Finance Document and a Transaction Security Document.

5. Governing law

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

In witness this Supplemental Debenture is executed on the date appearing at the head of page 1.

Schedule
Additional Property

Chargor	Short Description of Additional Property	Title Number (if registered)
[•]	[•]	[•]

[Signature blocks to Supplemental Debenture to be inserted here]

EXECUTION PAGES

THE ORIGINAL CHARGOR

Executed as a deed)
by Ashley Grange Nursing Home Limited)
acting by)

[Redacted]

Title: Director

Name: SEAN GAVIN

in the presence of

[Redacted]

Witness signature:

Witness name: DIANA NISBET

Witness address: 36 CHILHAM CLOSE, FRIMLEY,
SURREY, GU16 9YA

Witness occupation: PERSONAL ASSISTANT

Address: 2nd Floor Clifton House, Bunnian Place, Basingstoke, RG21 7JE

Email: sean.gavin@hartfordcare.co.uk

Attention: SEAN GAVIN

THE SECURITY AGENT

Executed as a deed)
by National)
Westminster Bank)
Plc)
acting by)

Title: Authorised Signatory

Name:

in the presence of:

Witness signature:

Witness name:

Witness address:

Witness occupation:

Address: 2nd Floor, Trinity Quay 2

Avon Street, Bristol, BS2 0PT

Email: Nicky.Hakim@rbs.co.uk

Attention: Nicky Hakim

