



Registration of a Charge

Company name: **INDEPENDENT VETCARE LIMITED**

Company number: **07746795**



X6AUQME3

Received for Electronic Filing: **17/07/2017**

Details of Charge

Date of creation: **04/07/2017**

Charge code: **0774 6795 0009**

Persons entitled: **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**

Brief description: **N/A**

Contains fixed charge(s).

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

Certified by: **ALLEN & OVERY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7746795

Charge code: 0774 6795 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th July 2017 and created by INDEPENDENT VETCARE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th July 2017 .

Given at Companies House, Cardiff on 19th July 2017

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

SECURITY AGREEMENT

DATED 4 JULY 2017

Between

THE CHARGORS LISTED IN SCHEDULE 1
as Chargors

and

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED
as Security Agent

This Security Agreement is entered into subject to the terms of an Intercreditor Agreement dated 27 January 2017 (as amended from time to time)

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THIS DEED is dated 4 July 2017 and made

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 (*The Chargors*) (each a **Chargor** and together the **Chargors**); and
- (2) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** (the **Security Agent**) as security agent and trustee for the Secured Parties (as defined in the Intercreditor Agreement defined below).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Secured Debt Documents (as defined in the Intercreditor Agreement (as defined below)).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Acceleration Event means a Senior Acceleration Event, a Senior Secured Notes Acceleration Event or a Second Lien Acceleration Event.

Account Bank means, in relation to a Restricted Account, the bank with which the Restricted Account is maintained.

Act means the Law of Property Act 1925 (an Act of Parliament).

Act of Parliament means an Act of the English Parliament of Westminster.

Authorisation has the meaning given to it in the Senior Facilities Agreement.

Event of Default means an "Event of Default" as defined in the Senior Facilities Agreement and any event or circumstance specified as such in any other Senior Facilities Agreement or in any Second Lien Facility Agreement, Senior Secured Notes Indenture or Second Lien Notes Indenture (as defined in the Intercreditor Agreement), as the context requires.

Insurance Notice means a notice substantially in the form set out in Schedule 5 (Forms of Letter for Insurance Notices) to this Deed.

Insurance Policy means any material contract or policy of insurance taken out by the Manx Chargor or on its behalf or in which it has an interest.

Intercompany Loan Agreement means any intercompany loan agreement to which the Manx Chargor is party as a lender.

Intercompany Receivables means any and all present and future receivables, claims, rights, title or monies regardless of their nature (including, without limitation, principal, interest, default interest,

commissions, costs and indemnities), in any currency or currencies, whether actual or contingent, whether owed jointly and severally or in any other capacity whatsoever and whether subordinated or not, owed from time to time by any member of the Group to the Manx Chargor.

Intercreditor Agreement means the intercreditor agreement dated 27 January 2017 between, among others, IVC Acquisition Midco Ltd as Parent, IVC Acquisition Ltd as Company, the Senior Lenders and Senior Arrangers listed therein, HSBC Bank PLC as Original Senior Agent and HSBC Corporate Trustee Company (UK) Limited as Security Agent as amended and/or amended and restated from time to time.

Investment means all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf (limited in the case of such interests in members of the Group to such interests held in Material Companies from time to time).

Manx Chargor means Milan Veterinary Limited (as listed in Schedule 1 (The Chargors) to this Deed). **Material Company** has the meaning given to such term in the Senior Facilities Agreement.

Party means a party to this Deed.

Receivables means Intercompany Receivables and Trade Receivables.

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

Related Rights means, in respect of all Shares and Investments, all dividend, interest, distributions and other income paid or payable on such a Share or Investment, together with all shares or other property derived from any relevant Share or Investment and all other monies, allotments, accretions, rights, benefits, property and/or advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share or Investment (whether by way of conversion, redemption, substitution, exchange, bonus, preference, option rights or otherwise).

Relevant Contract has the meaning given to it in Clause 2.7 (Other contracts)

Restricted Account means all accounts of the Manx Chargor and includes:

- (a) if there is a change of Account Bank, any account into which all or part of a credit balance from a Restricted Account is transferred; and
- (b) any account which is a successor to a Restricted Account on any re-numbering or re-designation of accounts and any account into which all or part of a balance from a Restricted Account is transferred for investment or administrative purposes.

Security Assets means all assets of each Chargor the subject of any security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date which is the later to occur of the Senior Secured Discharge Date and the Second Lien Discharge Date.

Senior Facilities Agreement means the senior facilities agreement originally dated 27 January 2017 between, among others, IVC Acquisition Midco Limited as Parent, IVC Acquisition Limited as Company, the Lenders and Arrangers listed therein, HSBC Bank PLC as Agent and HSBC Corporate Trustee Company (UK) Limited as Security Agent as amended and/or amended and restated from time to time, and most recently amended and restated by the amendment and restatement agreement dated 28 April 2017 and entered into between, among others, IVC Acquisition Midco Limited as Parent, IVC Acquisition Limited as Company, the New Lenders listed

therein, HSBC Bank PLC as Agent and HSBC Corporate Trustee Company (UK) Limited as Security Agent.

Shares means all shares owned by a Chargor in its subsidiaries that are Material Companies, including but not limited to those shares in Material Companies incorporated under the laws of the Isle of Man specified in Part 1 of Schedule 2 (Security Assets) opposite its name.

Trade Receivables means all book and other debts arising in the ordinary course of trading owing to the Manx Chargor.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement have, unless expressly defined in this Deed, the same meaning in this Deed (including such definitions incorporated by way of reference).
- (b) The provisions of clause 1.2 (Construction) of the Intercreditor Agreement and clause 1.2 (Construction) of the Senior Facilities Agreement shall apply *mutatis mutandis* to this Deed as though they were set out in full in this Deed, so far as they are relevant, provided that the terms of clause 1.2 (Construction) of the Intercreditor Agreement will prevail if there is a conflict between the terms of clause 1.2 (Construction) of the Senior Facilities Agreement and clause 1.2 (Construction) of the Intercreditor Agreement.
- (c) The term **this Security** means any security created by this Deed.
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment, discharge and performance of all the Secured Obligations; and
 - (iv) is made with all of the rights of a sole absolute legal and beneficial owner.
- (b) There shall be excluded from the security created by this Deed, but in each case only to the extent that such prohibition or condition restricts the type of security interest purported to be created by the relevant Clause of this Deed:
 - (i) any asset which a Chargor is prohibited from creating Security on or over by reason of any contract, license, lease, instrument or other arrangement which has been entered into with a third party on arms' length terms in relation to that asset and which contract, license, lease, instrument or other arrangement is otherwise not prohibited by the terms of the Senior Facilities Agreement (including any asset which a Chargor is precluded from creating Security over without the prior consent of a third party), in each case to the extent of that

prohibition and for so long as such prohibition is in existence or until consent has been received from the third party; and

- (ii) any Security which would be unlawful under the laws of the jurisdiction in which such asset or undertaking is situated (or which would conflict with the mandatory fiduciary duties of their or any Affiliates' directors or contravene any legal prohibition or result in a risk of personal or criminal liability on the part of any officer or member of a Chargor) provided that such Chargor has used its reasonable endeavours to overcome such obstacles, in each case to the extent of that that can be done at reasonable cost.

For the purposes of this paragraph (b), the term "third party" in relation to a Chargor means any person which is not a member of the Group or an Affiliate of a member of the Group.

- (c) For all assets and undertakings referred to in paragraphs 2.1(b)(i) and (ii) above and to the extent that such assets are material and the Parent determines in good faith that such endeavours will not involve placing commercial relationships with third parties in jeopardy or incurring any material cost, that Chargor undertakes to use reasonable endeavours to apply for a consent or waiver of the relevant prohibition or condition which affects the charging of such asset as soon as reasonably practicable after the date of this Deed (or, as applicable, the creation of the relevant prohibition or condition to the extent arising after the date of this Deed unless that Chargor has already used its commercially reasonable endeavours at the time of negotiation of the relevant contract, license, lease, instrument or other arrangement to avoid the inclusion of the relevant prohibition or condition or otherwise to limit its scope).
- (d) Immediately upon satisfaction of the relevant condition or upon receipt of the relevant waiver or consent, or upon the relevant prohibition otherwise ceasing to apply, the formerly excluded assets or undertakings shall stand charged or assigned to the Security Agent under the relevant Clause of this Deed (as applicable). If reasonably required by the Security Agent, at any time following satisfaction of that condition or receipt of that waiver or consent, that Chargor will forthwith execute a valid fixed charge or legal assignment over the relevant assets on substantially the same terms as set out in this Debenture.
- (e) Where an asset is excluded from the Security created by this Deed as a result of paragraph (b) above, that Security shall (to the extent it would not breach the provisions of paragraph (b) above) operate as an assignment or charge of all proceeds and/or receivables which that Chargor derives from or is entitled to in respect of the relevant asset(s) that have been so excluded from such Security.
- (f) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.

2.2 Investments

Each Chargor charges by way of a first fixed charge:

- (a) all Shares owned by it or held by any nominee on its behalf;
- (b) (to the extent that they are not the subject of a first fixed charge under paragraph (a) above) its interest in all Investments owned by it or held by any nominee on its behalf; and
- (c) all Related Rights.

2.3 Receivables

Without prejudice to the assignment and first fixed charge in Clause 2.7 (Other contracts), the Manx Chargor charges by way of a first fixed charge all Receivables and all rights and claims against third parties and against any security in respect of those Receivables.

2.4 Plant and machinery

The Manx Chargor charges by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession.

2.5 Restricted credit balances

The Manx Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any Restricted Account and the debt represented by it and all its rights in relation to any Restricted Account in its name.

2.6 Insurances

The Manx Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of any Insurance Policy.

2.7 Other contracts

(a) The Manx Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of:

- (i) any agreement to which it is a party (including the Intercompany Loan Agreements);
- (ii) any letter of credit issued in its favour;
- (iii) any bill of exchange or other negotiable instrument held by it; and
- (iv) any other agreement to which the Manx Chargor is a party and which the Security Agent and the Manx Chargor have designated a relevant contract,

each a **Relevant Contract**.

(b) If not effectively assigned under paragraph 2.7(a) above, the Manx Chargor charges by way of first fixed charge all Relevant Contracts.

2.8 Intellectual property

The Manx Chargor charges by way of a first fixed charge, all of its rights in respect of:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right; and
- (c) any interest (including by way of licence) in any of the above,

in each case whether registered or not and including all applications for the same.

2.9 Miscellaneous

The Manx Chargor charges by way of a first fixed charge:

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

2.10 Floating charge

- (a) The Manx Chargor charges by way of a first floating charge all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause.
- (b) Except as provided below, the Security Agent may by notice to the Manx Chargor convert the floating charge created by the Manx Chargor under this Clause into a fixed charge as regards any of the Manx Chargor's assets specified in that notice, if:
 - (i) an Acceleration Event is continuing; or
 - (ii) the Security Agent (acting reasonably) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause will automatically convert into a fixed charge over all of the assets of the Manx Chargor if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator.

3. REPRESENTATIONS - GENERAL

3.1 Nature of security

Subject to the Legal Reservations and the Perfection Requirements (as defined in the Senior Facilities Agreement), each Chargor represents and warrants to each Secured Party that this Deed:

- (a) creates the Security it purports to create and those security interests are valid and effective; and
- (b) is not liable to be avoided or otherwise set aside on the liquidation or administration of that Chargor or otherwise.

3.2 Times for making representations

The representations and warranties set out in this Deed (including in this Clause) are made by each Chargor on the date of this Deed.

4. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create or permit to subsist any Security on any Security Asset except as expressly permitted or not otherwise prohibited by the Secured Debt Documents; or
- (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset except as expressly permitted or not otherwise prohibited by the Secured Debt Documents.

5. INVESTMENTS

5.1 Share representations

Each Chargor represents and warrants to each Secured Party that:

- (a) its Shares are fully paid;
- (b) its Shares specified in Part 1 of Schedule 2 (Security Assets) represent the whole of the issued share capital in any relevant Material Company; and
- (c) it is the sole legal and beneficial owner of its Shares.

5.2 Deposit

Each Chargor must:

- (a) promptly deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to its Shares; and
- (b) promptly execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent (acting on the instructions of the Majority Lenders) in order to enable the Security Agent or its nominees to be registered, on an Acceleration Event, as the owner or otherwise obtain a legal title to its Shares.

5.3 Calls

If a Chargor fails to pay a call or other payment due and payable in respect of any Investment, the Security Agent may (but shall not under any circumstance be under any obligation to) pay such calls or other payments on behalf of that Chargor. That Chargor must promptly on request (and in any event within five Business Days of demand) reimburse the Security Agent for any payment made by the Security Agent under this Clause and, pending reimbursement, that payment will constitute part of the Secured Obligations.

5.4 Voting rights

- (a) Before the occurrence of an Acceleration Event:
 - (i) the voting rights, powers and other rights in respect of the Investments must (if exercisable by the Security Agent) be exercised in any manner which that Chargor may direct in writing provided that it does not adversely affect the validity or enforceability of the Security or cause an Event of Default to occur; and

- (ii) subject to the terms of the Secured Debt Documents, each Chargor will be permitted to pay, receive and retain all dividends or other income or distributions in relation to any Investments.

Each Chargor must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of the Investments on the direction of that Chargor.

- (b) After the occurrence of an Acceleration Event:
 - (i) the Security Agent or its nominee may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of the relevant Chargor) or refrain from exercising any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investments, any person who is the holder of any Investments or otherwise; and
 - (ii) all dividends or other income or distributions in relation to any Investments shall be paid to the Security Agent or as otherwise instructed by the Security Agent.

5.5 Financial Collateral

- (a) To the extent that the assets mortgaged or charged under this Deed constitute "financial collateral" and this Deed and the obligations of the Chargor 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)) the Security Agent will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (b) Where any financial collateral is appropriated:
 - (i) if the financial collateral is listed or traded on a recognised exchange its value will be taken as the value at which it could have been sold on the exchange on the date of appropriation; or
 - (ii) in any other case, the value of the financial collateral will be such amount as the 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;

and each Secured Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

6. RESTRICTED CREDIT BALANCES

6.1 Representations

The Manx Chargor represents to each Secured Party that:

- (a) it is the sole legal and beneficial owner of the credit balance from time to time in each Restricted Account which it maintains; and
- (b) those credit balances are free of any Security (except for that created by or under this Deed or unless otherwise permitted or not prohibited by the Secured Debt Documents) and any other rights or interests in favour of third parties.

6.2 Withdrawals

After an Acceleration Event has occurred, except with the prior consent of the Security Agent, the Manx Chargor may not withdraw any moneys (including interest) standing to the credit of any Restricted Account.

6.3 Notices of charge

The Manx Chargor must:

- (a) within five Business Days of the date of this Deed (or, in respect of any Restricted Account which becomes the subject of this Security after the date of this Deed, within five Business Days of such date), serve a notice of charge, substantially in the form of Part 1 of Schedule 3 (Forms of letter for Account Bank) to this Deed on each Account Bank; and
- (b) use its reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 3 (Forms of letter for Account Bank) to this Deed within 20 Business Days of service in respect of any notice delivered pursuant to paragraph (a) above provided that the Manx Chargor's obligation under this paragraph (b) will cease on the expiry of the 20 Business Days period referred to in this paragraph,

provided that no notice of charge shall be required to be served on an Account Bank until an Acceleration Event has occurred if service of such notice would prevent the Manx Chargor from using the relevant Restricted Account in the ordinary course of its business.

7. RELEVANT CONTRACTS

7.1 Notices of assignment

- (a) The Manx Chargor must in respect of an Intercompany Loan Agreement:
 - (i) within five Business Days of the date of this Deed (or, in respect of any Intercompany Loan Agreement between the Manx Chargor and a counterparty which has not received notice of assignment in accordance with this paragraph 7.1(a), within five Business Days of the date such Intercompany Loan Agreement becoming the subject of this Deed), serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (Forms of letter for Relevant Contracts) to this Deed, on each counterparty to the relevant Intercompany Loan Agreement; and
 - (ii) use its reasonable endeavours to procure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (Forms of letter for Relevant Contracts) to this Deed within 20 Business Days of service in respect of any notice delivered pursuant to paragraph (i) above provided that the Manx Chargor's obligation under this paragraph 7.1(a)(ii) will cease on the expiry of the 20 Business Day period referred to in this paragraph.
- (b) The Manx Chargor must in respect of any other Relevant Contract identified by the Security Agent:
 - (i) promptly after the occurrence of an Acceleration Event and following request from the Security Agent or its nominee, serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (Forms of letter for Relevant Contracts) to this Deed, on each counterparty to a Relevant Contract; and

- (ii) use its reasonable endeavours to procure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (Forms of letter for Relevant Contracts) to this Deed within 20 Business Days of service in respect of any notice delivered pursuant to paragraph (i) above provided that the Manx Chargor's obligation under this paragraph 7.1(b)(ii) will cease on the expiry of the 20 Business Day period referred to in this paragraph.

8. INSURANCES

The Manx Chargor must in respect of an Insurance Policy:

- (a) within five Business Days of the date of this Deed (or, in respect of any Insurance Policy which becomes the subject of this Security after the date of this Deed, within five Business Days of such date) give notice, by way of Insurance Notice, to the insurer in relation to each Insurance Policy that it has assigned or charged its right under the relevant Insurance Policy to the Security Agent under this Deed; and
- (b) use reasonable endeavours to procure that the relevant insurer signs and delivers the acknowledgement substantially in the form as included at the end of the Insurance Notice within 20 Business Days of service of such Insurance Notice on the relevant counterparty or insurer, provided that the Manx Chargor's obligation under this paragraph (b) shall cease upon the expiration of the 20 Business Days referred to in this paragraph.

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Acceleration Event

This Security will become immediately enforceable if an Acceleration Event occurs.

9.2 Discretion

After this Security has become enforceable, the Security Agent (or its nominee) may in its absolute discretion enforce all or any part of this Security in accordance with clause 13 (Enforcement of Transaction Security) of the Intercreditor Agreement.

9.3 Power of sale

The Security Agent shall have a full and unrestricted power of sale and such power of sale and any other powers conferred on a mortgagee by law will be immediately exercisable at any time after this Security has become enforceable.

10. ENFORCEMENT OF SECURITY

10.1 General

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) For the avoidance of doubt, Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

10.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will 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.

10.3 Privileges

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act as if such enactment was a statute of the Isle of Man, except that Section 103 of the Act does not apply.

10.4 Protection of third parties

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

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

10.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset;
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must pay to the Security Agent in accordance with Clause 14 (Expenses and Indemnity) of this Deed, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 Contingencies

If this Security is enforced at a time when no amount is due under the Secured Debt Documents but at a time when amounts may or will become due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

11. RECEIVER

11.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

- (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Security Agent in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
 - (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver does not apply to this Deed.

11.2 Removal

The Security Agent may by writing under its hand remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and any maximum rate imposed by law will not apply.

11.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of the relevant Chargor for all purposes. The relevant Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with Security Agent

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

12. POWERS OF RECEIVER

12.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 12 (Powers of Receiver) in addition to those conferred on it by any law; this includes:
 - (i) all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 (an Act of Parliament, as if such enactment was a statute of the Isle of Man); and
 - (ii) all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986 (an Act of Parliament, as if such enactment was a statute of the Isle of Man).
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 Possession

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

12.3 Carry on business

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

12.4 Employees

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

12.5 Borrow money

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

12.6 Sale of assets

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

12.7 Leases

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

12.8 Compromise

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

12.9 Legal actions

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

12.10 Receipts

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

12.11 Subsidiaries

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

12.12 Delegation

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

12.13 Lending

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

12.14 Protection of assets

A Receiver may:

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

in each case as he thinks fit.

12.15 Other powers

A Receiver may:

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

13. APPLICATION OF PROCEEDS

- (a) Any moneys received by the Security Agent or any Receiver after this Security has become enforceable must be applied in accordance with clause 15 (Application of Proceeds) of the Intercreditor Agreement.
- (b) This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of any Secured Party to recover any shortfall from any Chargor.

14. EXPENSES AND INDEMNITY

All costs and expenses in relation to this Deed shall be paid in accordance with clause 21 (Costs and Expenses) of the Intercreditor Agreement.

15. DELEGATION

15.1 Power of Attorney

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

15.2 Terms

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

15.3 Liability

Neither the Security Agent nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate provided such sub-delegation has been made with due care.

16. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which that Chargor is obliged to take under this Deed, which power may be exercised (i) following an Acceleration Event; or (ii) where such obligation relates to further assurance or perfection and that Chargor has failed to comply with such obligation within five Business Days of receiving notice (a copy of such notice being sent to the Parent) of that failure (and, in each case, the Security Agent may delegate that power or on such terms as it sees fit). Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

17. MISCELLANEOUS

17.1 Covenant to pay

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

17.2 Tacking

Each Secured Party must perform its obligations under the Secured Debt Documents (including any obligation to make available further advances).

17.3 New Accounts

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

17.4 Time deposits

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

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

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

18. RELEASE

Without prejudice to the circumstances in which all or part of the Security Assets may be released as contemplated by the Secured Debt Documents, at the end of the Security Period, the Secured Parties must, at the request and cost of the Chargors, take whatever action is necessary to release the Security Assets from this Security.

19. COUNTERPARTS

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

20. CONTRACTUAL RECOGNITION OF BAIL-IN

20.1 Notwithstanding any other term of any Secured Debt Document or any other agreement, arrangement or understanding between the parties, each party acknowledges and accepts that any liability of any party to any other party under or in connection with the Secured Debt Document may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Secured Debt Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

Definitions

"Bail-In Action" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU (as amended or re-enacted) establishing a

framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and

- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"EEA Member Country" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"EU Bail-In Legislation Schedule" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"Resolution Authority" means any body which has authority to exercise any Write-down and Conversion Powers.

"Write-down and Conversion Powers" means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (c) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

21. GOVERNING LAW

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

22. JURISDICTION

- (a) The courts of the Isle of Man have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).
- (b) The Parties agree that the courts of the Isle of Man are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

- (c) Notwithstanding paragraph (a) above, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
THE CHARGORS

Chargor	Jurisdiction	Registration Number
Independent Vetcare Limited	England & Wales	07746795
Milan Veterinary Limited	Isle of Man	108611C

SCHEDULE 2
SECURITY ASSETS

PART 1

SHARES

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
Independent Vetcare Limited	Milan Veterinary Limited	2 ordinary shares of £1.00 each

SCHEDULE 3
FORMS OF LETTER FOR ACCOUNT BANK

PART 1

NOTICE TO ACCOUNT BANK

[On the letterhead of the Chargor]

To: [Account Bank]

Copy: HSBC Corporate Trustee Company (UK) Limited

[Date]

Dear Sirs,

**Security Agreement dated [] between [●]
and HSBC Corporate Trustee Company (UK) Limited (the Security Agent)**

This letter constitutes notice to you that under the Security Agreement we (the **Chargor**) have charged (by way of a first fixed charge) in favour of HSBC Corporate Trustee Company (UK) Limited (the **Security Agent**) all our rights in respect of any amount standing to the credit of the account maintained by us with you (Account no. [] sort code []) (the **Restricted Account**) and the debt represented by it and all our rights generally in relation to the Restricted Account.

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent any information relating to the Restricted Account requested from you by the Security Agent;
- (b) following written notice from the Security Agent that the security created under the Security Agreement has become enforceable, comply with the terms of any written notice or instruction relating to the Restricted Account received by you from the Security Agent;
- (c) following written notice from the Security Agent that the security created under the Security Agreement has become enforceable, hold all sums standing to the credit of the Restricted Account to the order of the Security Agent; and
- (d) following written notice from the Security Agent that the security created under the Security Agreement has become enforceable, pay or release any sum standing to the credit of the Restricted Account in accordance with the written instructions of the Security Agent.

For the avoidance of doubt, you may continue to deal with the Chargor in relation to the Restricted Account until you receive written notice to the contrary from the Security Agent. Following notice from the Security Agent that the Security created under the Security Agreement has become enforceable, we shall not be permitted to withdraw any amount from the Restricted Account without the prior written consent of the Security Agent.

We acknowledge that you may comply with the instructions in this letter without any further permission from us or enquiry by you.

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

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [ADDRESS] with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)

[●]

PART 2

ACKNOWLEDGEMENT OF ACCOUNT BANK

[On the letterhead of the Account Bank]

To: HSBC Corporate Trustee Company (UK) Limited

Copy: [●]

[Date]

Dear Sirs,

**Security Agreement dated [] between [●]
and HSBC Corporate Trustee Company (UK) Limited (the Security Agreement)**

We confirm receipt from [●] (the **Chargor**) of a notice dated [] of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of its account with us (Account no. [], sort code []) (the **Restricted Account**) and the debt represented by it and all rights of the Chargor generally in relation to the Restricted Account.

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in the Restricted Account; and
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Restricted Account.

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

Yours faithfully,

.....

(Authorised signatory)

[Account Bank]

SCHEDULE 4

FORMS OF LETTER FOR RELEVANT CONTRACTS

PART 1

NOTICE TO COUNTERPARTY

To: [Contract party]

[Date]

Dear Sirs,

**Security Agreement dated [] between [●]
and HSBC Corporate Trustee Company (UK) Limited (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to HSBC Corporate Trustee Company (UK) Limited (the **Security Agent**) all our rights in respect of [insert details of Contract] [and any and all future receivables, claims, rights, title or monies whether actual or contingent, whether owed jointly and severally or in any other capacity whatsoever and whether subordinated or not, owed from time to time by you to us]¹ (the **Contract**).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Security Agent or as it directs.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [ADDRESS], with a copy to ourselves.

Yours faithfully,

.....

(Authorised signatory)

¹ Only include in relation to intercompany receivables notifications.

PART 2

Acknowledgement Of Counterparty

To: HSBC Corporate Trustee Company (UK) Limited as Security Agent

Copy: [●]

[Date]

Dear Sirs,

We confirm receipt from [●] (the **Chargor**) of a notice dated [] of an assignment on the terms of the Security Agreement dated [] of all the Chargor's rights in respect of [insert details of the Contract] [and any and all future receivables, claims, rights, title or monies whether actual or contingent, whether owed jointly and severally or in any other capacity whatsoever and whether subordinated or not, owed from time to time by you to us]² (the **Contract**).

We confirm that we will pay all sums due, and give notices, under the Contract as directed in that notice.

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

Yours faithfully,

.....

(Authorised Signatory)

[Counterparty]

2 Only include in relation to intercompany receivables notifications.

SCHEDULE 5

FORMS OF LETTER FOR INSURANCE NOTICE

To: [insert name and address of insurance company]

Dated: [●]

Dear Sirs

Re: [here identify the relevant insurance policy(ies)] (the "Policies")

We notify you that, [insert name of Chargor] (the "Chargor") has assigned to HSBC Corporate Trustee Company (UK) Limited (the "Security Agent") for the benefit of itself and certain other banks and financial institutions (the "Secured Parties") all its right, title and interest in the Policies as security for certain obligations owed by the Chargor to the Secured Parties by way of a debenture dated [●].

We further notify you that:

1. the Chargor may nevertheless amend or terminate the Policies without the prior written consent of the Security Agent until you receive written notice to the contrary from the Security Agent;
2. you may continue to deal with the Chargor in relation to the Policies until you receive written notice to the contrary from the Security Agent. Thereafter the Chargor will cease to have any right to deal with you in relation to the Policies and therefore from that time you should deal only with the Security Agent;
3. you are authorised to disclose information in relation to the Policies to the Security Agent on request; and
4. the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to act in accordance with the provisions of this notice;
- (b) you [will note/have noted] the Security Agent's interest as first chargee on each of the Policies;
- (c) [after receipt of written notice in accordance with paragraph 2 above], you will pay all monies to which the Chargor is entitled under the Policies direct to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing;
- (d) you have not received notice that the Chargor has assigned its rights under the Policies to a third party or created any other interest (whether by way of security or otherwise) in the Policies in favour of a third party; and
- (e) you have not claimed or exercised nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Policies.

The provisions of this notice are governed by Isle of Man law.

Yours faithfully

.....

for and on behalf of

[insert name of Chargor]

[On acknowledgement copy]

To: *[insert name and address of Security Agent]*

Copy to: *[insert name and address of Chargor]*

We acknowledge receipt of the above insurance notice dated [●] and confirm the matters set out in paragraphs (a) to (e) above.

.....

for and on behalf of

[insert name of insurance company]

Dated: [●]

SIGNATORIES

Chargors

EXECUTED AS A DEED by)
INDEPENDENT VETCARE LIMITED)
acting by)



in the presence of:

Witness's signature: 

Name: _____

Address: _____

Charlotte Nash

EXECUTED AS A DEED by
MILAN VETERINARY LIMITED
acting by


)
)
)



Director



Director / Secretary



Security Agent

EXECUTED as a DEED

For and on behalf of

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

By: Luke Ashby
Authorised Signatory

Title:

By:

Title:

WITNESSED BY:

WITNESS NAME:

WITNESS ADDRESS:

Chloe Slattery
HSBC Bank plc
8 Canada Square
London
E14 5HQ