



Registration of a Charge

Company Name: **PRIMARY HEALTH PROPERTIES PLC**

Company Number: **03033634**



Received for filing in Electronic Format on the: **23/02/2022**

XAYG32VP

Details of Charge

Date of creation: **23/02/2022**

Charge code: **0303 3634 0020**

Persons entitled: **M&G TRUSTEE COMPANY LIMITED**

Brief description:

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: **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: **CMS CAMERON MCKENNA NABARRO OLSWANG LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3033634

Charge code: 0303 3634 0020

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd February 2022 and created by PRIMARY HEALTH PROPERTIES PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd February 2022 .

Given at Companies House, Cardiff on 24th February 2022

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**

DEBENTURE

dated 23 February 2022

PHP EURO PRIVATE PLACEMENT ML LIMITED
as Company

PRIMARY HEALTH PROPERTIES PLC
as Guarantor

M&G TRUSTEE COMPANY LIMITED
as Security Trustee

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THIS DEED (the "**Debenture**") is dated 23 February 2022 and made between:

- (1) **PHP EURO PRIVATE PLACEMENT ML LIMITED** (a private limited company incorporated and registered in England and Wales with company number 11714222) (the "**Company**");
- (2) **PRIMARY HEALTH PROPERTIES PLC** (a company registered in England and Wales with number 03033634) (the "**Guarantor**"); and
- (3) **M&G TRUSTEE COMPANY LIMITED** (a company registered in England and Wales with number 01863305) as security trustee for the Secured Parties (the "**Security Trustee**").

RECITALS

- (A) By a note purchase and private shelf agreement (the "**Note Purchase Agreement**") dated 11 February 2022 made between the Company as issuer, the Guarantor as guarantor, and MetLife Investment Management LLC and the parties named in schedule A thereto as Purchasers, the Company (i) has issued senior secured guaranteed notes in a principal amount of €75,000,000 to the Purchasers and (ii) may from time to time issue additional senior secured guaranteed notes in a principal amount of up to €75,000,000 to the MetLife Parties (as defined in the Note Purchase Agreement), in each case, on the terms and conditions contained in the Note Purchase Agreement.
- (B) It is a term of the Note Purchase Agreement that each Obligor enters into this Debenture.

THIS DEBENTURE WITNESSES

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture, unless otherwise defined or provided for herein, words and expressions shall have the same meanings as is given to them in the Note Purchase Agreement. In addition, the following definitions apply:

"Acknowledgement of Insurer" means an acknowledgement in substantially the same form of Schedule 3 (*Form of Insurer's Acknowledgement*).

"Administrator" means an administrator appointed under Schedule B1 to the Insolvency Act 1986.

"Charged Asset" means with respect to an Obligor, the property, assets and income mortgaged, assigned or charged to the Security Trustee (whether by way of legal mortgage, assignment, fixed or floating charge) by or pursuant to this Debenture and any Security

Accession Deed by that Obligor, and each and every part of such property, assets and income.

"Charges" means any Security Interests constituted by this Debenture, including any Security Accession Deed.

"Chargors" means the Company and each company which grants security over its assets in favour of the Security Trustee by executing a Security Accession Deed and **"Chargor"** shall mean any one of them.

"Companies Act" means the Companies Act 1985 and the Companies Act 2006.

"Delegate" means a delegate or sub-delegate appointed, directly or indirectly, pursuant to Clause 14.7 (*Delegation*).

"Derivative Rights" means, with respect to Shares, any:

- (a) dividend, interest or other distribution paid or payable in relation to any of those Shares; and
- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of those Shares by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

"Eligible Property CPs" means, in respect of an Eligible Property, over which a charge is or will be granted in favour of the Security Trustee:

- (a) a copy of any consent required in connection with the charging of the Eligible Property in favour of the Security Trustee;
- (b) a letter of undertaking relating to the title, priority searches, Land Registry registrations and the deeds to the Eligible Property, duly signed by the solicitors acting for the relevant Charging Subsidiary;
- (c) Land Registry searches or, if appropriate, clear Land Charges searches showing no adverse entries affording priority to the Security Trustee for a period of not less than ten Business Days following the date upon which the Eligible Property or part thereof to be charged, the title to which is, in each case, registered or which is unregistered and in respect of which an application for first registration is to be lodged at the Land Registry;
- (d) copies of all agreed form Land Registry forms in relation to the charging of the Eligible Property for the benefit of Security Trustee;
- (e) copies of all policies, certificates or cover notes relating to each contract or policy of insurance in respect of indemnity policies in relation to particular title or environmental issues, as may be required by the Security Trustee taken out by or

on behalf of the relevant Charging Subsidiary or in which the relevant Charging Subsidiary has an interest and which relates to the Eligible Property; and

- (f) evidence of an effective discharge of all mortgages, charges, standard securities and liens (other than pursuant to these presents) affecting the relevant Charging Subsidiary's interests in the Eligible Property or, in connection with any existing floating charge, a certificate of non-crystallisation from, and, where appropriate, the necessary consent of, the relevant chargee in respect thereof.

"Enforcement Event" has the meaning given to that term in Clause 3(b).

"Environment" means the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

"Environmental Claim" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"Environmental Law" means all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

"Fixtures" means fixtures, fittings (including trade fixtures and fittings) and fixed plant, machinery and equipment owned by a Chargor at any time during the Security Period on any Real Property.

"Insurance Policies" means those insurance policies relating to the Charged Property from time to time.

"Insurer's Notice of Charge" means a notice in substantially the same form as Schedule 2 (*Form of Insurer's Notice of Assignment and Charge*).

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases; and

- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions supplied to the Security Trustee as a condition to the Closing.

"Liability" means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

"Limitations Act" means the Limitation Act 1980, the Foreign Limitation Periods Act 1984 and the Prescription and Limitation (Scotland) Act 1973.

"Obligors" means the Company, the Guarantor and any other Chargor that becomes a party to this Debenture and **"Obligor"** shall mean any one of them.

"Party" means a party to this Debenture.

"Properties" means the properties the short particulars of which are set out in Schedule 2 (*Freehold and Leasehold Registered Titles*).

"Real Property" means the Properties and any present or future freehold, heritable or leasehold property in which a Chargor has an interest and is charged to the Security Trustee, and any reference to **"Real Property"** includes a reference to all rights from time to time effected or appurtenant thereto, any proceed of sale, Insurance Policies, contracts and covenants related thereto and all building and Fixtures from time to time therein or thereon and in which such Chargor has an interest.

"Receiver" means an administrative receiver or a receiver appointed pursuant to the provisions of this Debenture or pursuant to any applicable law and such expression shall include, without limitation, a receiver and manager.

"Report on Title" means in relation to a Property, a report on title, substantially in the same form as CLLS Certificate of Title (7th Edition 2016 Update), relating to that Property prepared by the Company's counsel or in such form in respect of any properties located in Scotland with such adjustment to the terminology as is required to reflect the laws of Scotland, reviewed (at the Company's cost) by counsel to the holders of the Notes.

"Secured Obligations" means all present and future obligations and other liabilities of any nature of the Obligors due, owing or incurred under or in connection with the Transaction Documents (or any of them), to the Secured Parties (including under any amendments, supplements or restatements of any of the Transaction Documents or in relation to any new or increased advances or utilisations thereunder) and whether indebtedness or liabilities originally owed to all or any of the Secured Parties or any other person or persons actual or contingent, matured or not matured, liquidated or unliquidated, whether incurred solely or jointly and/or severally or in any other capacity whatsoever and whether as principal or surety, in any currency, including all interest accruing thereon, after as well as before judgment, and all costs, charges and expenses (to the extent payable by the Obligors pursuant to the terms of the Transaction Documents) incurred in connection therewith.

"Secured Parties" means the Security Trustee, the holders of the Notes, and any Receiver or Delegate and **"Secured Party"** shall mean any one of them.

"Security Accession Deed" means a deed executed by a Charging Subsidiary substantially in the form set out in Schedule 5 (*Form of Security Accession Deed*), with those amendments which the Security Trustee may approve or reasonably require.

"Security Interest" means a mortgage, standard security, assignment (or assignation) in security, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Period" means the period beginning on the date of this Debenture and ending on the date on which the Secured Obligations have been irrevocably paid or discharged in full.

"Shares" means, (a) with respect to the Guarantor, all the shares in the Company owned by the Guarantor from time to time, and (b) with respect to the Company, all the shares in each Charging Subsidiary, if any, owned by the Company from time to time.

"Transaction Charged Assets" means:

- (a) the Charged Assets of the Chargors; and
- (b) the property, assets and income mortgaged, assigned or charged to the Security Trustee (whether by way of legal mortgage, assignment, assignation, standard security, fixed or floating charge) by or pursuant to the Security Documents (other than the Debenture) by the Obligors, and each and every part of such property, assets and income.

"Transaction Security" means the Security Interests created by or pursuant to the Security Documents.

"Trust Property" means, collectively:

- (a) the security, powers, rights, titles, benefits and interests (both present and future) constituted by, and conferred on the Security Trustee under this Debenture and any other Transaction Document;
- (b) all obligations expressed to be undertaken by a Chargor to pay amounts in respect of the Secured Obligations to the Security Trustee as trustee for the holders of the Notes and secured by the Transaction Documents together with all representations and warranties expressed to be given by the relevant Chargor in favour of the Security Trustee as trustee for the holders of the Notes;
- (c) all assets paid or transferred to or vested in the Security Trustee or its agent or received or recovered by the Security Trustee or its agent from time to time in connection with this Debenture or any other Transaction Document; and

- (d) all rights, benefits, interests, entitlements, choses in action and other assets, actual or contingent, at any time representing or deriving from any of the foregoing, including all interest, income and other sums at any time received or receivable by the Security Trustee or its agent in respect of the same (or any part thereof),

but excluding the obligations of the Chargor contained in, and any amounts received under or receivable by the Security Trustee or any Receiver or Delegate pursuant to, Clause 18 (*Expenses, Stamp Duty and Indemnities*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Debenture to:
 - (i) the "**Security Trustee**", the "**Company**", the "**Guarantor**", any "**Chargor**", any "**Obligor**", any "holder of Notes", any "**Secured Party**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees, and, in the case of the Security Trustee, any person for the time being appointed as Security Trustee or Security Trustees in accordance with the Transaction Documents;
 - (ii) "**assets**" includes present and future properties, revenues and rights of every description;
 - (iii) this "**Debenture**" includes this Debenture as from time to time supplemented by one or more Security Accession Deeds;
 - (iv) a "**Transaction Document**" or any other agreement or instrument is a reference to that Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (v) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vi) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (vii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (viii) a provision of law is a reference to that provision as amended or re-enacted; and
 - (ix) a time of day is a reference to London time.

- (b) Clause and Schedule headings are for ease of reference only.
- (c) Unless the context otherwise requires, words denoting the singular number only include the plural number also and vice versa.
- (d) A Default or an Event of Default is "continuing" if it has not been remedied or waived.
- (e) Unless a contrary indication appears, a term used in any other Transaction Document or in any notice given under or in connection with any Transaction Document has the same meaning in that Transaction Document or notice as in this Debenture.

1.3 **Third Party Rights**

- (a) Unless expressly provided to the contrary in a Transaction Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Debenture.
- (b) Notwithstanding any term of any Transaction Document, the consent of any person who is not a Party is not required to rescind or vary this Debenture at any time.

1.4 **Clawback**

If the Security Trustee considers that an amount paid by an Obligor in respect of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of that Obligor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.

1.5 **Nature of security over real property**

A reference in this Debenture to a charge or mortgage of or over any Property includes:

- (a) all buildings and fixtures and fittings owned by the relevant Chargor that are situated on or form part of that Property at any time;
- (b) the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the relevant Chargor in respect of that Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Note Purchase Agreement and of any side letters between any Parties in relation to the Note Purchase Agreement are incorporated into this Debenture.

1.7 Schedules

The Schedules form part of this Debenture and shall have effect as if set out in full in the body of this Debenture. Any reference to this Debenture includes the Schedules.

1.8 The Security Trustee

- (a) References to the Security Trustee in this Debenture are to it acting in its capacity as security trustee for the Secured Parties.
- (b) The perpetuity period applicable to the trusts created by this Debenture is 125 years.

1.9 Effective Date

Notwithstanding the date of this Debenture the Parties agree that this Debenture shall be effective with full force and effect from 11 February 2022. Any reference in the Note Purchase Agreement, any other Transaction Document or any other writing (including certificates and legal opinions) delivered on or prior to the date hereof in connection with the transactions contemplated by the Transaction Documents to the “Debenture” (including any references to the “Debenture” as being dated as of 11 February 2022), shall be deemed to mean this Debenture dated as the date hereof and with full force and effect from 11 February 2022.

2. COVENANT TO PAY

2.1 Covenant to Pay

Each Obligor shall pay the Secured Obligations when due in accordance with the terms of the Transaction Documents.

2.2 Immediate Rights

- (a) This Debenture and the obligations of the Obligors under this Debenture are in addition to, and not to be prejudiced by, or to be merged with, any other guarantee, indemnity or security at any time existing in favour of any person.
- (b) Each Obligor hereby waives any right it may have to require any Secured Party (or any trustee or agent on its behalf) to make demand of, proceed against or enforce any other rights or security or claim payment from any person before claiming against it. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

2.3 Interest

- (a) If the Company fails to pay any Secured Obligations on the date on which they fall due for payment by it, it shall on demand pay to the Security Trustee interest on all such amounts from the due date until the date of payment (both before and after judgment) at the rate of interest applicable to the Notes.
- (b) Any such interest not paid when due shall be compounded on every Interest Payment Date and bear interest as provided above.

2.4 Proportionate Discharge

Each sum appropriated by the Security Trustee in accordance with the Transaction Documents towards payment of accrued interest on any Secured Obligations which have not been paid on their due date under any obligation under the Note Purchase Agreement which constitutes a Secured Obligation shall to the extent of that appropriation discharge the Company's obligations to pay such interest under Clause 2.3 (*Interest*) above.

3. DECLARATION OF TRUST AND ENFORCEMENT

- (a) The Security Trustee declares that it holds the Trust Property on trust for itself and the other Secured Parties in accordance with its and their respective interests.
- (b) The Security Interests in the Transaction Documents will become immediately enforceable after the occurrence of an Event of Default and the declaration by any holder or holders of Notes that its or their respective Notes are immediately due and payable (an "**Enforcement Event**").
- (c) Subject to Clause 3(d) and notwithstanding any other provision of this Debenture or any other Transaction Document, the Security Trustee will not, and will not be bound to, take any steps, institute any proceedings, exercise its rights and/or to take any other action under or in connection with any of the Transaction Documents (including enforcing the Security Interests created by the Security Documents) unless the Security Trustee is directed to do so in writing by the Required Holders provided that the Security Trustee may at all times, whether or not so directed, take such action in respect of any right, power or discretion which is personal to the Security Trustee or is to preserve or protect the Security Trustee's position or is of a purely administrative nature.
- (d) Upon being directed in accordance with Clause 3(c), the Security Trustee will be bound to take the relevant action(s) in the manner instructed in writing by the Required Holders provided that (A) the Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may render itself liable or which it may incur by so doing, and (B) in the case of any direction to modify the terms of this Debenture or any other Transaction Document to which it is a party, the Security Trustee shall not be required to make such modification if, in the sole opinion of the Security Trustee, making such modification would impose new or additional obligations on, release the rights or

protections of, or alter the obligations, rights and/or protections of, the Security Trustee under this Debenture, any other Transaction Document or otherwise.

- (e) The Security Trustee shall not be liable to any Obligor or any other person for any action it may take or may refrain from taking in accordance with any instructions received pursuant to this Clause or any Transaction Document or for any delay or failure on the part of the Required Holders to so direct the Security Trustee. The Security Trustee shall be entitled to seek clarification from the Required Holders with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from the Required Holders and the Security Trustee shall not be liable for any liabilities incurred by any person as a result of such election. The Security Trustee shall be entitled to assume that any instructions received by it from the Required Holders are duly given in accordance with the terms of this Debenture and the other Transaction Documents. In the absence of express notice to the contrary the Security Trustee is entitled to assume that any instructions received from the Required Holders have not been revoked. In the absence of instructions from the Required Holders the Security Trustee shall be entitled to seek such instruction as it thinks necessary or appropriate.
- (f) The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any rights or powers arising under the Security Documents except through the Security Trustee. Nothing herein shall be construed to limit, restrict, affect or otherwise modify the rights and remedies of a Secured Party in its capacity as a holder of Notes under or pursuant to the terms of the Note Purchase Agreement, the Notes or any applicable law.
- (g) The Company confirms to the Security Trustee that the identity of each Purchaser listed in Schedule A (*Information relating to Series A Purchasers*) to the Note Purchase Agreement (including the principal amount of each Note held by each such Purchaser referred to herein) is correct as at the date of this Debenture and that the notice details for each such Purchaser as contained in Schedule A (*Information relating to Series A Purchasers*) to the Note Purchase Agreement are those that have been provided to the Company by each such holder of Notes as at the date of this Debenture. To the extent that the Company issues any additional Notes pursuant to and in accordance with the Note Purchase Agreement, the Company shall give to the Security Trustee, prompt notice thereof and shall provide to the Security Trustee a list of the identity of each additional Purchaser and the principal amount of each Note held by each such Purchaser and shall provide a copy of the notice details for each such Purchaser as have been provided by such Purchaser to the Company. The Company shall give to the Security Trustee, promptly upon request therefor, a true copy of the register of Notes kept by the Company which sets out the names and addresses of all registered holders of Notes.
- (h) The Security Trustee may treat each holder of Notes that is shown in its records as being a Secured Party at the opening of business on any applicable day as being the Secured Party:

- (i) entitled to any payment due under this Debenture or any other Transaction Document on such day; and
- (ii) entitled to receive and act upon any notice, request, document, vote or communication made or delivered to it on that day and make any decision or determination under this Debenture or any Transaction Document made or delivered on that day.

4. MORTGAGE, FIXED CHARGES AND ASSIGNMENTS

4.1 Mortgage

- (a) Each Chargor, with full title guarantee and as continuing security for the payment of the Secured Obligations, charges, in favour of the Security Trustee by way of first legal mortgage the Properties located in England and Wales (short particulars of which are set out in Schedule 2 (*Freehold and Registered Leasehold Titles*)) (other than in respect of the properties subject to the Existing Security Release Documents), together with all improvements and additions thereto and all easements, rights and licences appurtenant thereto subject to and with the benefit of all existing leases, underleases, tenancies, agreements for lease, rights, covenants and conditions affecting the same but otherwise free from encumbrances to the intent that the same shall become part of the Charged Properties.
- (b) Any Chargor may, at any time, charge any Eligible Property in favour of the Security Trustee by way of first legal mortgage (in respect of an Eligible Property in England and Wales) or by a first ranking standard security (in respect of an Eligible Property in Scotland), if the Company has delivered to the Security Trustee and each holder of a Note:
 - (i) a Report on Title in respect of the Eligible Property;
 - (ii) a Valuation of the Eligible Property; and
 - (iii) those Eligible Property CPs requested by the Security Trustee in respect of the Eligible Property,

each in form and substance satisfactory to the Security Trustee acting on the written instruction of the Required Holders.

- (c) Each Chargor shall execute, make and do, or cause to be executed, made and done, all such deeds, acts and things (including executing a deed supplemental to this Debenture) as may be necessary to constitute and give effect to the Security Interests over the Charged Properties (including any Charged Property charged under paragraph (b) above) in accordance with the laws of England and Wales and Scotland, as relevant.

4.2 Fixed Charges

- (a) Each Chargor, with full title guarantee and as continuing security for the payment of the Secured Obligations, charges, in favour of the Security Trustee by way of a first fixed charge all its Insurance Policies, to the extent that they are not effectively assigned pursuant to Clause 4.3 (*Assignments*) below.
- (b) The Company, with full title guarantee and as continuing security for the payment of the Secured Obligations, charges, in favour of the Security Trustee by way of a first fixed charge all monies from time to time standing to the credit of the Charged Account, together with all other rights and benefits accruing to or arising in connection with the Charged Account (including, but not limited to, entitlements to interest).

4.3 Assignments

Each Chargor, with full title guarantee and as continuing security for the payment of the Secured Obligations, assigns absolutely (subject to the reassignment on redemption pursuant to Clause 20.3 (*Redemption*)) to the Security Trustee all rights, title and interest in its Insurance Policies and all proceeds and benefits (including all claims of any nature and any returns or premium) in respect of its Insurance Policies.

4.4 Share security

Each of the Company and the Guarantor as continuing security for the payment or discharge of the Secured Obligations, with full title guarantee hereby charges, in favour of the Security Trustee (for its own account and on trust for the benefit of itself and the Secured Parties) by way of first fixed charge as security for the payment and discharge of the Secured Obligations, all of the Shares owned by it and all Derivative Rights.

5. FLOATING CHARGE

5.1 Creation of Floating Charge

Each Chargor, with full title guarantee, as continuing security for the payment of the Secured Obligations hereby charges in favour of the Security Trustee (as trustee for the Secured Parties) by way of floating charge the whole of its undertaking and all its property, assets and rights (including any uncalled capital), whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, charged or assigned to the Security Trustee under Clause 4 (*Mortgage, Fixed Charges and Assignments*) but excluding from the foregoing exception all undertaking, property and assets of the Chargor both present and future situated in Scotland or the rights that are governed by Scots law, all of which are charged by the floating charge hereby created.

5.2 Qualifying Floating Charge

- (a) The floating charge created pursuant to Clause 5.1 (*Creation of Floating Charge*) by the Company and each Chargor is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act 1986.

- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Debenture and the Security Trustee may appoint an Administrator to the Company and/or any or all of the Chargors pursuant to that paragraph.

5.3 Conversion of Floating Charge by notice

If at any time:

- (a) any Event of Default has occurred and is continuing; or
- (b) the Security Trustee considers that any asset of any Chargor is in danger of being seized or sold under any form of distress, execution or other similar process,

then without prejudice to the provisions of Clause 5.4 (*Automatic Conversion of Floating Charge*) the Security Trustee may, by notice in writing to the Chargor convert the floating charge granted by that Chargor under this Debenture into a fixed charge in relation to the assets specified in such notice (which assets need not be exclusively those assets which are in danger of seizure or sale) and the Security Trustee shall further be entitled (but not bound) to take possession of or appoint a Receiver of such assets.

This Clause 5.3 (*Conversion of Floating Charge by notice*) will not apply to any assets situated in Scotland if and to the extent that a Receiver would not be capable of exercising its powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such crystallisation by notice.

5.4 Automatic Conversion of Floating Charge

Each floating charge created by Clause 5.1 (*Creation of Floating Charge*) shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) the relevant Chargor:
 - (i) creates, or attempts to create, without the prior written consent of the Security Trustee, a Security Interest or a trust in favour of another person over all or any part of the Charged Assets (except as expressly permitted by the terms of the Transaction Documents); or
 - (ii) disposes, or attempts to dispose of, all or any part of the Charged Assets (other than Charged Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the relevant Chargor.

This Clause 5.4 (*Automatic Conversion of Floating Charge*) will not apply to any assets situated in Scotland if and to the extent that a Receiver would not be capable of exercising its powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

5.5 Assets acquired after any floating charge has crystallised

Any asset acquired by a Chargor after any crystallisation of the floating charge created under this Debenture that, but for that crystallisation, would be subject to a floating charge under this Debenture, shall (unless the Security Trustee confirms otherwise to the relevant Chargor in writing) be charged to the Security Trustee by way of first fixed charge.

5.6 Independent security

This Debenture shall be in addition to, and independent of, any other security or guarantee that the Security Trustee may hold for any of the Secured Obligations at any time. No prior security held by the Security Trustee over the whole or any part of the Charged Assets shall merge in the security created by this Debenture.

5.7 Continuing security

This Debenture shall remain in full force and effect as a continuing security for the Secured Obligations, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Security Trustee discharges this Debenture in writing.

5.8 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Debenture.

6. LIABILITY OF THE CHARGORS

6.1 Liability not discharged

Each Obligor's liability under this Debenture in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, any Secured Party that is or becomes wholly or partially illegal, void or unenforceable on any ground;
- (b) any Secured Party renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or

- (c) any other act or omission, that, but for this Clause 6.1 (*Liability not discharged*), might have discharged, or otherwise prejudiced or affected, the liability of a Chargor.

6.2 Immediate recourse

Each Chargor and the Guarantor waives any right it may have to require the Security Trustee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Debenture against that Chargor.

6.3 Discharge conditional

Any release, discharge or settlement between a Chargor and/or the Guarantor and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee in respect of the Secured Obligations being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) the Security Trustee or its nominee may retain this Debenture and the Security Interests created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Assets, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and
- (b) the Security Trustee may recover the value or amount of such security or payment from the relevant Chargor or Guarantor (as applicable) subsequently as if the release, discharge or settlement had not occurred.

7. REPRESENTATIONS AND WARRANTIES

7.1 Representations and warranties

The representations and warranties set out in this Clause 7 (*Representations and Warranties*) are made by the Company and the Guarantor to the Security Trustee on the date of this Debenture.

7.2 General Representations

- (a) It is a private limited company (or, in the case of the Guarantor, a public limited company), duly incorporated and validly existing under the law of England and Wales.
- (b) The obligations expressed to be assumed by it in this Debenture, subject to the Legal Reservations, are legal, valid, binding and enforceable obligations.

- (c) No Security Interest expressed to be created under this Debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Company or the Guarantor (as applicable) or otherwise.
- (d) This Debenture is and will continue to be effective security over all and every part of the Charged Assets in accordance with its terms.
- (e) The entry into and performance by it of, and the transactions contemplated by, this Debenture do not and will not conflict with any law or regulation applicable to it, or its constitutional documents.
- (f) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Debenture and the transactions contemplated by this Debenture, and no limit on its powers will be exceeded as a result of the granting of security contemplated by this Debenture.

7.3 Charged Assets

- (a) Subject to the completion of any ongoing registration of transfers of Properties at the Land Registry at the time of Closing, it is the sole legal and beneficial owner of its Charged Assets.
- (b) Its Charged Assets are free from any Security Interest other than the Security Interest with respect to the Charged Properties subject to the Existing Security Release Documents.
- (c) It has not received, or acknowledged notice of, any adverse claim by any person in respect of its Charged Assets or any interest in them.
- (d) Except as may be disclosed in any Title Report or Temple Table Report for Limited Due Diligence Designated Properties, there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, that materially and adversely affect its Charged Assets.
- (e) There is no breach of any law or regulation which materially and adversely affects its Charged Assets.
- (f) No facility necessary for the enjoyment and use of its Charged Assets is subject to terms entitling any person to terminate or curtail its use.
- (g) Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any of its property.
- (h) It has, at all times, complied in all material respects with all Environmental Law applicable to it.

- (i) No Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against it where that claim has or is reasonably likely, if determined against it, to have a Material Adverse Effect.

7.4 Investments

- (a) The Shares charged by the Guarantor are fully paid and are not subject to any option to purchase or similar rights.
- (b) The Shares charged by the Guarantor represent the whole of the issued share capital of the Company and no person has any option, warrant or other similar right to subscribe for any shares of the Company.
- (c) No constitutional document of an issuer of any Shares, nor any other agreement:
 - (i) restrict or inhibit any transfer of those Shares on creation or enforcement of the security constituted by this Debenture; or
 - (ii) contain any rights of pre-emption in relation to those Shares.

7.5 Insurance Policies

- (a) As at the date of this Debenture, the Security Trustee is named as loss payee on the Insurance Policies.
- (b) The documents comprising the Insurance Policies to the extent provided to the Security Trustee on or before the date of this Debenture, evidence all terms of the relevant Insurance Policies, and there are no other documents, agreements or arrangements that may affect the operation or enforceability of any Insurance Policy.
- (c) No Insurance Policy is void, voidable or otherwise unenforceable.
- (d) No variation of any Insurance Policy is contemplated.
- (e) Neither the Company nor the Guarantor is in breach of its obligations under any Insurance Policy and nothing has occurred:
 - (i) which is, or would constitute (with the giving of notice or passage of time or both), an event of default (however described) under any Insurance Policy; or
 - (ii) which would entitle a person to terminate or rescind an Insurance Policy.

8. COVENANTS

8.1 Negative pledge and disposal restrictions

Neither any Chargor nor the Guarantor shall at any time, except with the prior written consent of the Security Trustee:

- (a) create, purport to create or permit to subsist any Security Interest on, or in relation to, any Charged Asset other than:
 - (i) any Security Interest created by this Debenture (including any Security Accession Deed) or the other Transaction Documents; or
 - (ii) the Properties subject to the Existing Security Release Documents, which Security Interest will be released in accordance with the Note Purchase Agreement; or
- (b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Assets (other than in accordance with section 15 of the Note Purchase Agreement); or
- (c) other than as described in Clause 8.1(a)(ii) or as permitted by Section 10.4(b) of the Note Purchase Agreement,, create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party.

8.2 Preservation of Security

No Chargor shall do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee or the effectiveness of the security created by this Debenture or any Security Accession Deed.

8.3 Documents

Each Chargor and the Guarantor shall, on the execution of this Debenture or any Security Accession Deed (or, if later, the date of acquisition of the relevant Charged Asset), deliver to the Security Trustee, or as the Security Trustee may direct all deeds and documents of title relating to its Charged Assets that are in its the possession or control (and if these are not within the possession or control of a Chargor, that Chargor undertakes to obtain possession of all those deeds and documents of title) unless those deeds and documents of title are held at the applicable Land Registry to the order of the Security Trustee or held to the order of the Security Trustee by solicitors appointed by the Company on the terms of an undertaking agreed by the Security Trustee.

8.4 Notices to be given by the Chargors

- (a) Each Chargor shall on the execution of this Debenture, on each occasion that there is any replacement of an Insurance Policy or change in the provider of any Insurance Policy (which replacement or change, for the avoidance of doubt, must be in accordance with the terms of this Debenture and the Note Purchase Agreement) and as so requested by the Security Trustee from time to time:

- (i) give notice to each insurer under its Insurance Policies in the form set out in Schedule 2 (*Form of Insurer's Notice of Assignment and Charge*); and
 - (ii) use all reasonable endeavours to procure that each such insurer promptly provides to the Security Trustee an Acknowledgement of Insurer.
- (b) Each Chargor shall, on each occasion that there is any replacement of an Insurance Policy or change in the provider of any Insurance Policy (which replacement or change, for the avoidance of doubt, must be in accordance with the terms of this Debenture and the Note Purchase Agreement) ensure that the Security Trustee is named as loss payee on such Insurance Policy.

8.5 Notice to be given by the Company

The Company shall following the execution of this Debenture (and, in the case of the Charged Account established pursuant to Section 9.9 of the Note Purchase Agreement, by the Conditions Subsequent Date) and as so requested by the Security Trustee from time to time:

- (a) give notice to each bank, financial institution or other person (other than the Security Trustee) with whom the Company holds a Charged Account in the form set out in Part 1 of Schedule 4 (*Notice and acknowledgement – Charged Account*); and
- (b) procure that each such bank, financial institution or other person promptly provides to the Security Trustee within five Business Days an acknowledgement of the notice in Part 2 of Schedule 4 (*Notice and acknowledgement – Charged Account*).

8.6 Maintenance of Insurance

No Chargor shall:

- (a) amend or vary any Insurance Policy in a manner that would have a material adverse effect on the business, operations, affairs, financial condition, assets or properties of that Chargor;
- (b) breach any of its obligations under any Insurance Policy, or act or fail to act in a way that constitutes (with the giving of notice or passage of time or both) an event of default (however described) under any Insurance Policy; or
- (c) act or fail to act in a way which would entitle a person to terminate or rescind an Insurance Policy.

9. CHARGED PROPERTY COVENANTS

9.1 Environment

Each Chargor shall:

- (a) comply with all the requirements of Environmental Law applicable to it in the conduct of its management, possession or occupation of each of its Charged Properties to the extent that such requirements could, if not complied with, have an adverse effect on the business, operations, affairs, financial condition, assets or properties of that Chargor; and
- (b) obtain and comply with all authorisations, permits and other types of licences necessary for its ownership and letting of its Charged Properties under applicable Environmental Law.

9.2 **Registration at the Land Registry**

Each Chargor consents to an application being made by the Security Trustee to the Land Registrar for the following restriction in Form P to be registered against its title to each of its Charged Properties:

"No disposition of the registered estate by the proprietor of the registered estate other than a lease for a term expiring less than 25 years and 1 day after the date of the lease is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [SECURITY TRUSTEE] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer."

9.3 **Construction Warranties**

- (a) The Company shall, in circumstances where (i) the benefit of any of the construction warranties referred to in a Title Report is held by a subsidiary of the Company which is not the Charging Subsidiary which owns the Charged Property to which that Title Report relates and (ii) an Enforcement Event has occurred, procure that the benefit is assigned either to the Charging Subsidiary which owns the Charged Property, the Security Trustee, the Security Trustee's nominee or a purchaser of the relevant Charged Property, at the Security Trustee's election, such assignment to take place in a form and substance satisfactory to the Security Trustee and within 10 Business Days of request by the Security Trustee; provided that, if the benefit of such construction warranties is not capable of being so assigned without using the permitted number of assignments in the relevant construction warranty such that the construction warranty would no longer be enforceable against the warrantor after such assignment, the Company shall procure that the relevant subsidiary exercises its rights under and in respect of the construction warranties as directed by the Security Trustee.
- (b) Each Chargor shall, in circumstances where the benefit of any of the construction warranties referred to in a Title Report in respect of a Charged Property is held by that Chargor and an Enforcement Event has occurred, procure that the benefit is assigned either to the Security Trustee, the Security Trustee's nominee or a purchaser of the relevant Charged Property, at the Security Trustee's election, such assignment to take place in a form and substance satisfactory to the Security Trustee

and within 10 Business Days of request by the Security Trustee; provided that, if for reasons beyond the control of the Chargor the benefit of such construction warranties is not capable of being so assigned, the Chargor shall exercise its rights under and in respect of the construction warranties as directed by the Security Trustee.

10. SHARE COVENANTS

10.1 Deposit of title documents

- (a) The Company and the Guarantor, with respect to the Shares held by it shall:
 - (i) on the execution of this Debenture, deliver to the Security Trustee, or as the Security Trustee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Shares owned by it at that time; and
 - (ii) on the date of execution of any Security Accession Deed or on the purchase or acquisition by it of Shares after the date of this Debenture, deposit with the Security Trustee, or as the Security Trustee may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Shares.
- (b) At the same time as depositing documents with the Security Trustee, or as the Security Trustee may direct, in accordance with paragraph (a) above, the Company and the Guarantor shall also deposit with the Security Trustee, or as the Security Trustee may direct:
 - (i) all stock transfer forms relating to the relevant Shares duly completed and executed by it or on its behalf, but with the name of the transferee, the consideration and the date left blank; and
 - (ii) any other documents (in each case duly completed and executed by it or on its behalf) that the Security Trustee may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Shares,

so that the Security Trustee may, at any time and without notice to the Company or the Guarantor (as applicable), complete and present those stock transfer forms and other documents to the issuer of the Shares for registration.

10.2 Nominations

- (a) Each of the Company and the Guarantor shall terminate with immediate effect all nominations they may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of

any of its Shares and, pending that termination, procure that any person so nominated:

- (i) does not exercise any rights in respect of any such Shares without the prior written approval of the Security Trustee; and
 - (ii) immediately on receipt by it, forward to the Security Trustee all communications or other information received by it in respect of any Shares for which it has been so nominated.
- (b) Neither the Company nor the Guarantor shall, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of its Shares.

10.3 Pre-emption rights and restrictions on transfer

The Company and the Guarantor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of its Shares for the transfer of its Shares to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this Debenture; and
- (b) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of its Shares in any manner that the Security Trustee may require in order to permit the transfer of such Shares to the Security Trustee or its nominee, or to a purchaser on enforcement of the security constituted by this Debenture.

10.4 Dividends and voting rights before enforcement

- (a) Before an Enforcement Event, each of the Company and the Guarantor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of its Shares and, if any are paid or payable to the Security Trustee or any of its nominees, the Security Trustee will hold all those dividends, interest and other monies received by it for the Company or the Guarantor (as applicable) and will pay them to the Company or the Guarantor (as applicable) promptly on request.
- (b) Before an Enforcement Event, the Company or the Guarantor (as applicable) may exercise all voting and other rights and powers in respect of its Shares or, if any of the same are exercisable by the Security Trustee or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (i) it shall not do so in any way that would breach any provision of the articles of association or other constitutional documents of the relevant Chargor or for any purpose inconsistent with the Transaction Documents; and

- (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Security Trustee's opinion, have an adverse effect on the value of the Shares or otherwise prejudice the Security Trustee's security under this Debenture.
- (c) The Company or the Guarantor (as applicable) shall indemnify the Security Trustee against any loss or liability incurred by the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting in respect of the Shares at the direction of the Company or the Guarantor (as applicable).
- (d) The Security Trustee shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Shares that the Security Trustee considers prejudicial to, or impairing the value of, the security created by this Debenture.

10.5 Dividends and voting rights after enforcement

After an Enforcement Event:

- (a) all dividends and other distributions paid in respect of the Shares and received by the Company or the Guarantor (as applicable) shall be held by the Company or the Guarantor (as applicable) on trust for the Security Trustee and immediately paid into an account specified by the Security Trustee or, if received by the Security Trustee, shall be retained by the Security Trustee; and
- (b) all voting and other rights and powers attaching to the Shares shall be exercised by, or at the direction of, the Security Trustee and the Company or the Guarantor (as applicable) shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may give, in its absolute discretion, concerning the exercise of those rights and powers.

10.6 Calls on Shares

Notwithstanding the security created by this Debenture, the Company or the Guarantor (as applicable) shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of its Shares. Each of the Company and the Guarantor acknowledges that the Security Trustee shall not be under any liability in respect of any such calls, instalments or other payments.

10.7 No alteration of constitutional documents or rights attaching to Shares

Neither the Company nor the Guarantor (as applicable) shall, without the prior written consent of the Security Trustee, amend, or agree to the amendment of:

- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer of its Shares that is not a public company; or

- (b) the rights or liabilities attaching to, or conferred by, all or any of its Shares, unless mandatorily required to do so by any change in applicable law.

10.8 Preservation of Shares

Each of the Company or the Guarantor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of the Shares shall not:

- (a) consolidate or subdivide any of the Shares, or re-organise, exchange, repay or reduce its share capital in any way;
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of the Shares that may be lodged with it for registration by, or on behalf of, the Security Trustee or the Company or the Guarantor (as applicable) in accordance with this Debenture.

10.9 Shares information

Each of the Company or the Guarantor (as applicable) shall, promptly following receipt, send to the Security Trustee copies of any notice, circular, report, accounts and any other document received by it that relates to the Shares.

11. FURTHER ASSURANCE AND ADDITIONAL OBLIGATIONS

11.1 Further Assurance

Each Obligor shall, at the request of the Security Trustee and at its own cost, forthwith do all acts and things and execute in favour of the Security Trustee acting on the written instruction of the Required Holders, or as it may direct, such further or other legal assignments, assignations, transfers, mortgages, standard securities, charges, securities and other deeds and documents as the Security Trustee acting on the written instruction of the Required Holders may reasonably require, in such form as the Security Trustee acting on the written instructions of the Required Holders may reasonably require, in order to:

- (a) protect, preserve or perfect the security intended to be conferred on the Security Trustee by or pursuant to this Debenture or any other Security Document;
- (b) to facilitate the realisation of all or any of the Transaction Charged Assets and exercise all of the rights and powers conferred on the Security Trustee, any Receiver or any delegate or either of the same for the purpose thereof or in connection therewith;
- (c) to facilitate the exercise of any and all rights, powers, authorities and discretions intended to be vested in the Security Trustee, or any Receiver by or pursuant to this Debenture or any other Security Document; or

- (d) to facilitate the realisation of any Security Interest in each case granted under or pursuant to this Debenture or any other Security Document after such Security Interest has become enforceable or the exercise of any right, power or discretion in relation to any Transaction Charged Asset vested in the Security Trustee, any Receiver or any Delegate upon such enforcement.

11.2 Additional Obligations

The obligations of each Obligor under this Clause 11 (*Further Assurance and Additional Obligations*) shall be in addition to, and not in substitution for the covenants for further assurance deemed to be included herein by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

12. APPOINTMENT AND RIGHTS OF RECEIVERS AND ADMINISTRATORS

12.1 Appointment

- (a) If:
 - (i) so requested by any Obligor; or
 - (ii) the Charges given under this Debenture shall have become enforceable;

the Security Trustee may, subject to paragraph (e) below, by deed under seal or in writing under the hand of any officer of the Security Trustee appoint any one or more persons to be Receiver of any Charged Asset or, when permitted by law, may appoint an Administrator of the Company or any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986.

- (b) The Security Trustee may in writing under hand (except subject to any requirement for a court order under the Insolvency Act 1986 or any other applicable insolvency law) similarly remove any Receiver.
- (c) If more than one person is appointed Receiver or Administrator of any assets, each Receiver or Administrator may act either jointly or severally unless the document appointing it states otherwise.
- (d) Section 109(1) of the Law of Property Act 1925 does not apply to this Debenture.
- (e) The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000, except with the leave of the court.
- (f) The Security Trustee is not entitled to appoint an administrative receiver if prohibited from doing so under section 72A of the Insolvency Act 1986.

12.2 Scope of Appointment

Any Receiver may be appointed either Receiver of all the Charged Assets (subject to any applicable restrictions under the Insolvency Act 1986) or Receiver of such part thereof as may be specified in the document appointing it and, in the latter case, the rights conferred on a Receiver by this Debenture shall have effect as though every reference therein to the Charged Assets were a reference to the part of such Charged Assets so specified or any part thereof.

12.3 Rights of Receivers

- (a) Any Receiver appointed pursuant to this Clause 12.3 (*Rights of Receivers*) shall have all the rights, powers and discretions conferred on a receiver or and administrative receiver under the Insolvency Act 1986, the Law of Property Act 1925 and any other applicable law.
- (b) In addition, a Receiver shall be entitled (either in its own name or in the name of the Obligor in respect of whose assets it has been appointed or any trustee or nominee for that Obligor) and in such manner and upon such terms and conditions as the Receiver thinks fit:
 - (i) **Take possession:** to enter upon, take possession of, get in and collect the Charged Assets of that Obligor, to require directors of that Obligor (other than the Guarantor) to call up unpaid share capital and to take action to enforce payment of unpaid calls;
 - (ii) **Carry on business:** to manage or carry on any business of that Obligor (other than the Guarantor);
 - (iii) **Deal with Charged Asset:** to sell, transfer, assign, exchange, hire out, lend or otherwise dispose of, convert into money or realise the Charged Assets either by public offer or auction, tender or private contract to any person in any manner and on any terms and for a consideration of any nature he thinks fit and generally to exercise, in the name of and on behalf of and at the cost of that Obligor, all the powers and rights of an absolute owner of the Charged Assets and do or omit to do anything which that Obligor could do or omit to do;
 - (iv) **New Subsidiary:**
 - (1) to form or procure the formation of any new company, corporation, trust or partnership (a "**new vehicle**");
 - (2) to acquire any shares in such new vehicle;
 - (3) to transfer or transfer any right in or grant any licence in any Charged Asset of that Obligor to such new vehicle;
 - (4) to sell, transfer, assign, exchange or otherwise dispose of any such Shares or deferred consideration or any rights attaching thereto;

- (v) ***Borrowings***: to borrow or raise money either unsecured or on the Security Interests of the Charged Assets of that Obligor either in priority to the charges or otherwise and on such terms as he thinks fit;
- (vi) ***Covenants and Guarantees***: to lend money or advance credit to any customer of that Obligor (other than the Guarantor), either into bonds, covenants, commitments, guarantees, indemnities or like matters and to make all requisite payments to effect, maintain or satisfy the same;
- (vii) ***Leases and tenancies***: to lease or licence any Charged Asset of that Obligor to any person on any terms and for any rent or fee, to agree to any change to such terms or rent and to accept any surrender of such lease or licence on any terms (including the payment of any surrender premium), in each case as it shall think fit and to exercise all rights and powers as the Receiver would be capable of exercising if it were the absolute beneficial owner of the Charged Asset;
- (viii) ***Repairs***: to effect any repairs, improvements, insurance or do any act which he may think desirable to protect, or improve, any Charged Asset, or any business of the relevant Obligor (other than the Guarantor) or make it more productive, to carry out and/or complete any buildings operations and to apply for and maintain any planning permissions, building regulation approvals and other consents, in each case as he thinks fit;
- (ix) ***Proceedings and Claims***: to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Assets, or the business of the relevant Obligor (other than the Guarantor);
- (x) ***Compromise of Claims***: to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Obligor (other than the Guarantor), or relating in any way to the Charged Assets;
- (xi) ***Redemption of Security***: to redeem any Security Interests (whether or not having priority to the Charges) over the Charged Assets or relating in any way to the Charged Assets;
- (xii) ***Employment***: to appoint and discharge officers, employees, agents and advisors and others for the purposes of this Debenture and to discharge any person appointed by the relevant Obligor (other than the Guarantor);
- (xiii) ***Receipts***: to give a valid receipt for any moneys and execute any document which is necessary or desirable for realising any Charged Assets;
- (xiv) ***Insolvency Act 1986***: to exercise all powers set out in Schedule 1 or Schedule B1 of the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule B1 of the Insolvency Act 1986 after the date of this Debenture;

- (xv) **Other Powers:** to do all such other acts and things the Receiver may consider necessary or expedient for the realising of the Charged Assets or incidental to the exercise of any of the rights, powers and discretions conferred on the Receiver under or by virtue of this Debenture or by law.
- (c) Each of the powers specified in paragraph (b) above shall (except as otherwise provided) be distinct and shall not be in any way limited by reference to any other paragraph or the order in which they appear.

12.4 Directions of the Security Trustee

Any Receiver shall in the exercise of its rights, comply with any regulations, restrictions and directions from time to time made or given by the Security Trustee.

12.5 Security Trustee Agent of Obligors

Any Receiver shall be the agent of the relevant Obligor in respect of whose Charged Assets it is appointed Chargor for all purposes and, subject to any applicable law, the relevant Obligor alone shall be responsible for its contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by it and no Secured Party shall incur any liability by reason of the appointment of a Receiver or for any other reason whatsoever.

12.6 Remuneration

The Security Trustee may from time to time determine the remuneration of any Receiver and the maximum rate specified in Section 109(6) of the Insolvency Act 1986 will not apply. The Security Trustee may direct payment of such remuneration out of moneys accruing to the Receiver but the relevant Obligor alone shall be liable for the payment of such remuneration and for all other costs, charges and expenses of the Receiver.

12.7 Removal of Receivers

Subject to section 45 of the Insolvency Act 1986, the Security Trustee may:

- (a) remove any Receiver previously appointed hereunder; and
- (b) appoint another person or other persons as Receiver or Receivers, either in the place of a Receiver so removed or who has otherwise ceased to act or to act jointly with a Receiver or Receivers previously appointed hereunder.

12.8 Receivers and Administrators to act Jointly

If at any time and by virtue of any such appointment(s) any two or more persons shall hold office as Receivers or Administrators, as the case may be, of the same assets or income, such Receivers or Administrators, as the case may be, may act jointly and/or severally so that each one of such Receivers or Administrators, as the case may be, shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the powers and discretions hereby conferred on Receivers or

Administrators, as the case may be, individually and to the exclusion of the other or others of them.

13. APPLICATION OF PROCEEDS

13.1 Application of Proceeds

All moneys received by the Security Trustee or any Receiver shall (subject to the terms of the Transaction Documents and the payment of any liabilities having priority to the Secured Obligations) be applied in the following order:

- (a) in or toward the payment of or provision for all of the costs, losses, charges, liabilities and expenses incurred by the Security Trustee or any Receiver under or in connection with this Debenture or any other Transaction Document or the Receiver's appointment and remuneration due in connection with this Debenture;
- (b) in or towards payment of any debts or claims which are required by law to be paid in preference to the Secured Obligations but only to the extent to which such debts or claims have such preference;
- (c) in or towards discharge of the Secured Obligations in such order as required pursuant to the Transaction Documents; and thereafter
- (d) any surplus shall be paid to the relevant Obligor or other person entitled thereto.

13.2 Partial Application

All moneys from time to time received by the Security Trustee from an Obligor or any person liable to pay the same or from any Receiver or otherwise on the realisation or enforcement of the Charges may, subject to Clause 13 (*Application of Proceeds*), be applied by the Security Trustee either as whole or in such proportion as the Security Trustee shall think fit to any account or item of account or any transaction to which the same may be applicable.

14. SECURITY TRUSTEE'S RIGHTS

14.1 General Rights

All or any of the rights which are conferred by this Debenture, any other Security Document (either expressly or impliedly) or by law upon a Receiver may be exercised after the Charges become enforceable by the Security Trustee irrespective of whether the Security Trustee shall have taken possession or appointed a Receiver of the Transaction Charged Assets.

14.2 Security Trustee's Functions

The Security Trustee is hereby irrevocably authorised to:

- (a) execute and deliver each of the Security Documents on behalf of each Secured Party; and
- (b) perform the functions specifically delegated to it in this Debenture and each of the other Security Documents and such other functions as are reasonably incidental thereto and in performing such functions, the Security Trustee shall (without prejudice to any powers, discretions or immunities conferred upon trustees by law) have regard to the provisions of, and comply with any applicable constraints and restrictions set out in or imposed by, this Debenture or such other Security Documents.

14.3 Security Trustee's discretions

The Security Trustee may:

- (a) assume (unless it has received actual notice to the contrary from the Required Holders), that (i) no Event of Default has occurred and no Obligor is in breach of or default under its obligations under any of the Transaction Documents and (ii) any right, power, authority or discretion vested by any Transaction Document in any person has not been exercised;
- (b) if it receives any instructions or directions pursuant to Clause 3 (*Declaration of Trust and Enforcement*) to take any action in relation to the Transaction Security, assume that all applicable conditions under the Transaction Documents for taking that action have been satisfied;
- (c) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party or an Obligor, upon a certificate signed by or on behalf of that person; and
- (d) act in relation to the Security Documents through its officers, employees and agents.

14.4 Security Trustee's actions

Without prejudice to the provisions of Clause 3 (*Declaration of Trust and Enforcement*), the Security Trustee may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Security Documents as it considers in its discretion to be appropriate.

14.5 Excluded obligations

Notwithstanding anything to the contrary expressed or implied in the Security Documents, the Security Trustee shall not:

- (a) be bound to monitor or enquire as to (i) whether or not any Event of Default has occurred or (ii) the performance, default or any breach by any Obligor of its obligations under any Transaction Document;
- (b) be bound to account to any Obligor or any Secured Party for any sum or the profit element of any sum received by it for its own account;
- (c) be bound to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty;
- (d) have or be deemed to have any relationship of trust or agency with, or have any duty obligation or responsibility to any Obligor; or
- (e) be required to expend or risk its own funds or otherwise incur any financial liability or be obliged to do or omit anything, including entering into any transaction or incurring any liability, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or security against such risk or liability is not assured to it.

14.6 Redemption of Prior Security

- (a) The Security Trustee may at any time redeem any Security Interests having priority to any Transaction Security or procure the transfer of those Security Interests to itself and may settle the accounts of the prior encumbrancer and any accounts so settled shall, in the absence of manifest error, be conclusive and binding on the relevant Obligor.
- (b) The relevant Obligor shall on demand of the Security Trustee pay to the Security Trustee all the costs and expenses incurred by it in connection with any such redemption or transfer.
- (c) All the rights conferred by a prior charge upon the relevant Obligor or any receiver thereunder shall be exercisable by the Security Trustee or a Receiver in like manner as if the same were expressly included herein and the Security Trustee shall be entitled to exercise all the rights of a receiver appointed thereunder.

14.7 Delegation

- (a) The Security Trustee or any Receiver may delegate in any manner to any person it may think fit any right, power or discretion exercisable by it under this Debenture or any other Security Document.
- (b) Any such delegation may be made upon such terms, consistent with the terms of the Transaction Documents (including power to sub-delegate) as the Security Trustee may think fit.

- (c) The Security Trustee shall not be in any way liable to any Obligor or any other person for any Liability arising from any act, default, omission or misconduct on the part of any Delegate save in the case of its gross negligence or wilful misconduct.

14.8 Continuation of Accounts

At any time following the commencement of the winding-up of an Obligor or any Secured Party becoming aware of any subsequent Security Interests affecting the Transaction Charged Assets, the Secured Party may open a new account in the name of the relevant Obligor with it. If the Secured Party does not open a new account, it shall nevertheless be treated as if it had done so at the time when the winding-up commenced or the Secured Party received, or was deemed to have received, notice of such subsequent Security Interests. No payments made thereafter by the relevant Obligor to that Secured Party shall discharge or reduce the Secured Obligations but such payments shall be credited, to the extent a new account has been opened, or be treated as having been credited to that account.

14.9 Custody

The Security Trustee shall be entitled to keep all certificates and documents of title relating to the Transaction Charged Assets in safe custody at any of its branches or otherwise provide for their safe custody by third parties and shall not be responsible for any loss or damage occurring to or in respect thereof unless such loss or damage shall be caused by its own gross negligence or wilful default.

14.10 Agents

The Security Trustee may in the conduct of the trusts of this Debenture instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with these presents (including the receipt and payment of money). Such appointment may be made upon such terms and subject to such conditions and regulations as the Security Trustee may, acting in the interests of the holders of the Notes, think fit. The Security Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent, save in the case of its gross negligence or wilful misconduct.

14.11 Advice

The Security Trustee may, at the expense of the relevant Obligor, in relation to the performance of its obligations under this Debenture or any other Transaction Document obtain the advice or opinion of or any information (whether addressed to the Security Trustee or not and whether or not it contains any limit on liability) obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by an Obligor, the Security Trustee a holder of a Note, the Required Holders or otherwise and shall not be responsible for any Liability occasioned by so acting.

14.12 Resignation of the Security Trustee

The Security Trustee may retire at any time on giving not less than 30 days' prior written notice to each Obligor (one of whom shall promptly notify each holder of a Note of the same) without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Required Holders may by written demand remove the Security Trustee. The Obligors undertake to use all reasonable endeavours to procure that a new security trustee is appointed as soon as reasonably practicable following the resignation of any Security Trustee. The retirement or removal of the Security Trustee shall not become effective until a successor security trustee is appointed. If, in such circumstances, no appointment of such a new security trustee has become effective within 30 days of the date of such notice or written demand of the Required Holders, the Security Trustee shall be entitled to appoint a replacement security trustee. Following the appointment of a replacement Security Trustee, the retiring Security Trustee shall be discharged from any further obligations in respect of the Transaction Documents other than any Liability arising from its wilful misconduct or gross negligence.

14.13 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 on mortgagees and receivers duly appointed under the Law of Property Act 1925, except that Section 103 of the Law of Property Act 1925 does not apply.

14.14 Powers supplemental

The rights, powers and discretions conferred upon the Security Trustee by this Debenture or any other Security Document shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Trustee by general law or otherwise.

14.15 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Debenture. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Debenture, the provisions of this Debenture, shall to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Debenture shall constitute a restriction or exclusion for the purposes of that Act.

14.16 Exclusion of liability

None of the Security Trustee, any Receiver or any Delegate shall accept responsibility or be liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Trustee or any other person in or in connection with any Transaction Document or the transactions contemplated in the Transaction

Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;

- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Transaction Security;
- (c) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Transaction Documents, the Transaction Security or otherwise, whether in accordance with an instruction from the Required Holders or otherwise unless caused by its gross negligence or wilful misconduct;
- (d) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Transaction Documents, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Transaction Documents or the Transaction Security; or
- (e) any shortfall which arises on the enforcement or realisation of the Transaction Security or the Transaction Charged Assets.

14.17 No proceedings

Neither any Obligor nor any Secured Party (other than the Security Trustee, that Receiver or that Delegate) may take any proceedings against any officer, employee or agent of the Security Trustee, a Receiver or a Delegate in respect of any claim it might have against the Security Trustee, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Transaction Security and any officer, employee or agent of the Security Trustee, a Receiver or a Delegate may rely on this Clause in accordance with and subject to Clause 1.3 (*Third Party Rights*) and the provisions of the Third Parties Act.

14.18 Security Trustee's gross negligence or wilful misconduct

Nothing in any of the provisions of this Clause 14 shall exempt the Security Trustee, a Receiver or a Delegate or any attorney, agent or other person appointed by them in relation to the Transaction Charged Assets, from or indemnify it against any liability arising from such person's fraud, gross negligence or wilful misconduct.

14.19 No responsibility to perfect Transaction Security

The Security Trustee shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Transaction Charged Assets;

- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Security Documents or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Security Documents or of the Transaction Security;
- (d) take, or to require any Obligor to take, any steps to perfect its title to any of the Transaction Charged Assets or to render the Transaction Security effective or to secure the creation of any ancillary Security under the laws of any jurisdiction; or
- (e) require any further assurances in relation to any of the Security Documents.

14.20 Insurance by Security Trustee

- (a) The Security Trustee shall not be under any obligation to insure any of the Transaction Charged Assets, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Security Documents. The Security Trustee shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.
- (b) Where the Security Trustee is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Required Holders shall have requested it to do so in writing and the Security Trustee shall have failed to do so within fourteen days after receipt of that request.

14.21 Acceptance of title

The Security Trustee shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Obligor may have to any of the Transaction Charged Assets and shall not be liable for or bound to require any Obligor to remedy any defect in its right or title.

14.22 Refrain from illegality

Notwithstanding anything to the contrary expressed or implied in the Security Documents, the Security Trustee may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction or fiduciary duty or duty of confidentiality and the Security Trustee may do anything which is, in its reasonable opinion, necessary to comply with any such law, directive or regulation or duty.

14.23 Credit appraisal by the Secured Parties

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Secured Party has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Transaction Document including but not limited to:

- (a) the financial condition, status and nature of the Obligors;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Transaction Security;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Person or any of its respective assets under or in connection with any Transaction Document, the Transaction Security, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Transaction Security;
- (d) the adequacy, accuracy or completeness of any information provided by the Security Trustee or by any other Person under or in connection with any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Transaction Security; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Transaction Charged Assets, the priority of any of the Transaction Security or the existence of any Security Interest affecting the Transaction Security.

15. RESPONSIBILITIES OF SECURITY TRUSTEE

15.1 No Obligation to Remain in Possession

If the Security Trustee, any Receiver or any Delegate shall take possession of any Transaction Charged Asset, it may from time to time in its absolute discretion relinquish such possession.

15.2 Security Trustee's Obligation to Account

Neither the Security Trustee nor any Receiver or Delegate shall (either by reason of taking possession of the Transaction Charged Assets or for any other reason and whether as mortgagee in possession or on any other basis):

- (a) be liable to account to any Obligor or any other person for anything except the Security Trustee's own actual receipts which have not been distributed or paid to

an Obligor or the persons entitled (or at the time of payment believed by the Security Trustee to be entitled) thereto; or

- (b) be liable to an Obligor or any other person for any costs, losses, liabilities or expenses arising from or connected with any realisation by the Security Trustee of the Transaction Charged Assets or from any act, default, omission or misconduct of the Security Trustee, its Delegates, officers, employees or agents in relation to the Transaction Charged Assets or from any exercise or non-exercise by the Security Trustee of any right exercisable by it under the Transaction Documents unless they shall be caused by the Security Trustee's own gross negligence or wilful default.

15.3 Receiver's and Delegate's Obligation to Account

All the provisions of Clause 15.2 (*Security Trustee's Obligation to Account*) shall apply in respect of the liability of any Receiver or Delegate as though every reference in Clause 15.2 (*Security Trustee's Obligation to Account*) to the Security Trustee were instead a reference to the Receiver or, as the case may be, Delegate.

16. POWER OF ATTORNEY

16.1 Appointment

Each Obligor by way of security irrevocably appoints the Security Trustee, every Receiver and every Delegate severally to be its attorney of that Obligor:

- (a) to do all acts and things which that Obligor is obliged to do under this Debenture or any other Security Document but has failed to do;
- (b) to transfer any interest in any Transaction Charged Assets in the circumstances in which such transfer may be required under this Debenture or any other Security Document on an enforcement of the Charges over such Transaction Charged Assets;
- (c) in its name and on its behalf to exercise any right conferred on the Security Trustee, any Receiver or any Delegate in relation to the Transaction Charged Assets or under this Debenture, any other Security Document or by law after such right has become exercisable and the Security Interests constituted by the Security Documents shall have become enforceable; and
- (d) to register or renew registration of the existence of the Charges or the restrictions on dealing with the Transaction Charged Assets in any register in which an Obligor is obliged (but has failed) to effect or maintain registration under the terms of this Debenture or any other Security Document.

16.2 Ratification

- (a) Each Obligor agrees to ratify and confirm whatever any such attorney shall do or purport to do in the exercise or purported exercise of the power of attorney granted by Clause 16.1 (*Appointment*).
- (b) All moneys expended by any such attorney shall be deemed to be expenses incurred by the Security Trustee under this Debenture.

17. PROTECTION OF THIRD PARTIES

17.1 No Duty to Enquire

No person dealing with the Security Trustee, any Receiver, Administrator or any Delegate shall be concerned to enquire:

- (a) whether any power which the Security Trustee or any Receiver or Administrator is purporting to exercise or which is conferred by or pursuant to this Debenture or any other Security Document has become exercisable or is being properly exercised;
- (b) whether the Secured Obligations have become payable or any amount remains outstanding under the Transaction Documents; or
- (c) as to the application of any money paid to the Security Trustee or any Receiver, Administrator or Delegate.

17.2 Statutory Protection

All the protection to purchasers contained in Sections 104 and 107 of the Law of Property Act 1925, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Trustee, any Receiver or any Delegate.

18. EXPENSES, STAMP DUTY AND INDEMNITIES

18.1 Expenses

The Obligors will ensure that the Security Trustee or any other Secured Party, Receiver or Delegate is paid and reimbursed on demand, on the basis of a full indemnity, all costs and expenses (including legal fees and other out of pocket expenses and any VAT in accordance with the Note Purchase Agreement) reasonably and properly incurred by the Security Trustee or any other Secured Party in connection with this Debenture or any other Security Document and will indemnify them against any failure to pay such amounts including any amounts arising from any actual breach of any law.

18.2 Stamp Duties

The Obligors will on demand pay to and indemnify the Security Trustee and each other Secured Party from and against any liability for any stamp duty, stamp duty reserve, documentary or registration or similar Taxes or notarial fees ("**Relevant Costs**") which are

or may subsequently become payable in connection with the entry into, performance, execution or enforcement of this Debenture or any other Security Document or to which this Debenture or any other Security Document may otherwise be or become subject or give rise. The Obligors will in addition on demand indemnify the Security Trustee and each other Secured Party from and against any losses or liabilities which they incur as a result of any delay or omission by the Obligors to pay any such Relevant Costs.

18.3 Taxes

- (a) All sums payable by an Obligor under this Debenture or any other Security Document shall be paid:
 - (i) free of any restriction or condition;
 - (ii) free and clear of and (except to the extent required by law) without any deduction or withholding for or on account of any Tax; and
 - (iii) without deduction or withholding (except to the extent required by law) on account of any other amount whether by way of set-off, counter-claim or otherwise.
- (b) If an Obligor or any other person is required by law to make any deduction or withholding on account of any such Tax from any sum paid or payable by the Obligor to any Secured Party under this Debenture or any other Security Document the sum payable by that Obligor in respect of which the relevant deduction or withholding is required shall be increased to the extent necessary to ensure that, after the making of that deduction or withholding, that the receiving party receives on the due date and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been required or made provided that an Obligor shall be under no obligation to increase the sum payable pursuant to this clause in circumstances where, in relation to the payment, there would have been no obligation on the Company or the Guarantor to make an increased payment pursuant to Section 13.2(c) of the Note Purchase Agreement.

19. PAYMENTS

19.1 Certificates

A certificate, determination, notification or opinion of the Security Trustee or any other Secured Party as to the amount of the Secured Obligations or any other matter connected with this Debenture shall, in the absence of manifest error, be conclusive evidence of the matters to which it relates.

19.2 Payments

All payments under or pursuant to this Debenture (including damages in respect of breaches hereof) shall be made in accordance with the Note Purchase Agreement or in such other manner as the Security Trustee may agree and direct.

20. AVOIDANCE OF SECURITY

20.1 Avoidance of Payments If:

- (a) any payment is made by an Obligor; or
- (b) any discharge is given by a Secured Party (whether in respect of the obligations of an Obligor or any Security Interests for those obligations or otherwise); or
- (c) any settlement is made in whole or in part on the basis of any payment, security or other disposition,

which is avoided or reduced as a result of insolvency or any similar event:

- (i) the liability of the relevant Obligor shall continue as if the payment, discharge, settlement, avoidance or reduction had not occurred;
- (ii) each Secured Party shall be entitled to recover the value or amount of that payment, discharge, security or settlement from the relevant Obligor, as if the payment, discharge, settlement, avoidance or reduction had not occurred together with any other cost, loss, expense or liability incurred by such Secured Party as a result of such avoidance or discharge; and
- (iii) the relevant Obligor shall on demand indemnify the relevant Secured Party against any funding or other cost, loss, liability or expense (excluding loss of profit) incurred by the Secured Party as a result of any Secured Party being required for any reason to refund all or part of any amount received by it in respect of any of the Secured Obligations.

20.2 Appropriations

Until all Secured Obligations have been irrevocably and unconditionally paid and discharged in full, the Security Trustee may, subject to the terms of the Transaction Documents and without affecting the liability of an Obligor under this Debenture:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Security Trustee (for its own account or on behalf of another Secured Party) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Obligor shall be entitled to the benefit of the same;
- (b) to the extent that any of the Charged Assets constitute "**financial collateral**" and this Debenture and the obligations of an Obligor hereunder constitute a "**security financial collateral arrangement**" (in each case as defined in, and for the purposes

of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**") the Security Trustee shall have the right, once the Security under this Debenture has become enforceable to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be:

- (i) in the case of cash, the amount standing to the credit of the Charged Account, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and
- (ii) in the case of Shares, the market price of such Shares determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation,

and in each case, the parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations; and

- (c) hold in an interest-bearing suspense account any moneys received from an Obligor or on account of an Obligor's liability under this Debenture.

20.3 **Redemption:**

- (a) The Security Trustee shall on the date on which it is satisfied (acting reasonably) that all the Secured Obligations have been irrevocably and unconditionally paid and discharged in full and no further Secured Obligations are capable of becoming, outstanding (the "**Release Date**") or following receipt of a notice under paragraph (b) below, take all reasonable steps to release and/or re-assign the Charged Assets from the Charges as soon as reasonably practicable.
- (b) If an Obligor is entitled under the terms of the Transaction Documents to require the release of the Charges, it shall give the Security Trustee not less than 5 Business Days' prior notice in writing requesting release of the Charges.
- (c) All documents which are necessary in connection with the redemption of the Charges or the transfer of the Charged Assets back to the relevant Obligor shall be in such form as the Security Trustee shall reasonably require.

20.4 **Security Retention**

No amount paid to a Secured Party under a Transaction Document will be considered irrevocably or unconditionally discharged for any purpose of this Debenture if the Security Trustee, acting reasonably, considers that such amount is capable of being avoided or otherwise set aside under any laws relating to insolvency or otherwise and the Security Trustee shall be entitled to retain the Charges securing any such amount in such circumstances.

21. CONSOLIDATION OF ACCOUNTS AND SET-OFF

- (a) In addition to any general lien or similar rights to which they may be entitled by operation of law, each of the Secured Parties shall have the right at any time after the charges under this Debenture have become enforceable, and without notice to the relevant Chargor to combine or consolidate all or any of the relevant Chargor's then existing accounts with, and liabilities to, each of such Secured Parties and to set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities of the relevant Chargor to each of such Secured Parties on any other account or in any other respect.
- (b) The liabilities referred to in this Clause 21 (*Consolidation of Accounts and Set-off*) may be actual, contingent, primary, collateral, several or joint liabilities, and the accounts, sums and liabilities referred to in this Clause 21 (*Consolidation of Accounts and Set-off*) may be denominated in any currency.

22. CURRENCY

For the purpose of or pending the discharge of any of the Secured Obligations the Security Trustee may, in its sole discretion, convert any moneys received, recovered or realised in any currency under this Debenture or any other Security Document (including the proceeds of any previous conversion under this Clause 22 (*Currency*)) from their existing currency of denomination into the currency of account of the Secured Obligations at such rate or rates of exchange and at such time as the Security Trustee thinks fit (acting reasonably).

23. APPLICATION

No Obligor shall have any rights in respect of the application by the Secured Parties of any sums received, recovered or realised by the Security Trustee under this Debenture or any other Security Document.

24. NOTICES

- (a) The provisions of Section 21 (*Notices; English Language*) of the Note Purchase Agreement shall be incorporated into this Debenture as if set out in full in this Debenture.
- (b) A notice to be served on the Security Trustee must be sent to its address at Corporate Trust Manager, M&G Trustee Company Limited, 10 Fenchurch Avenue, London EC3M 5AG or by email to trustees@mandg.co.uk.

25. CHANGE OF PARTIES

25.1 Assignment and transfer by Secured Parties

The Secured Parties shall have a full and unfettered right to assign or otherwise transfer the whole or any part of the benefit of this Debenture to any person to whom all or any part

of its rights, benefits and obligations under the Note Purchase Agreement are assigned or transferred in accordance with the provisions of the Note Purchase Agreement.

25.2 Assignment and transfers by Chargors

No Obligor may assign any of its rights or transfer any of its rights or obligations under this Debenture.

25.3 Consent of the Chargors

- (a) Each Chargor consents to new Charging Subsidiaries becoming Chargors by the execution of a Security Accession Deed.
- (b) Each Chargor confirms that the execution of any Security Accession Deed by a new Subsidiary shall in no way prejudice or affect the security granted by each of them under (and the covenants given by each of them in), this Debenture and that this Debenture shall remain in full force and effect as supplemented by any such Security Accession Deed.
- (c) Each Chargor further confirms that the execution of any other supplement security document by a Chargor shall in no way prejudice or affect the security granted by each of them under (and the covenants given by each of them in), this Debenture and that this Debenture shall remain in full force and effect as supplement by any such supplemental security document.

26. INDEMNITIES

26.1 Currency indemnity

- (a) If any sum due from an Obligor under the Transaction Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
 - (i) making or filing a claim or proof against the relevant Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the relevant Obligor shall as an independent obligation, within five Business Days of demand, indemnify the Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Transaction Documents in a currency or currency unit other than that in which it is expressed to be payable.

26.2 Indemnity by the Obligors

- (a) The Obligors jointly and severally hereby agree to indemnify the Security Trustee, the other Secured Parties, any Receiver and any Administrator against all losses, actions, claims, costs, charges, expenses and liabilities properly and reasonably incurred by the Security Trustee, the other Secured Parties, any Receiver and any Administrator (including any substitute delegate attorney as aforesaid) in relation to this Debenture, any other Security Document or the Secured Obligations or occasioned by any breach by an Obligor of any of its covenants or obligations under this Debenture or any other Security Document.
- (b) The Obligors shall so indemnify the Security Trustee, the other Secured Parties, any Receiver and any Administrator within five Business Days of demand and shall pay interest on the sum demanded at the rate of interest applicable to the Notes from the date on which the same were demanded by the Security Trustee, any other Secured Party, or any Receiver or any Administrator, as the case may be, and any sum so demanded together with any interest, shall be a charge upon the Charged Asset in addition to the moneys hereby secured.

27. PARTIAL INVALIDITY

If, at any time, any provision of this Debenture becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability 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.

28. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under this Debenture 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 in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

29. AMENDMENTS

No amendments or waiver of any provision of this Debenture and no consent to any departure by an Obligor therefrom shall in any event be effective unless the same shall be in writing and signed or approved in writing by the Security Trustee and the other Obligors, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

30. COUNTERPARTS

This Debenture 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 Debenture.

31. GOVERNING LAW

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

32. JURISDICTION

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or any non-contractual obligation arising out of or in connection with this Debenture) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Nothing in this Clause 32 (*Jurisdiction*) shall affect the right of any Secured Party to serve process in any manner permitted by law, or limit any right that the Secured Party may have to bring proceedings against an Obligor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

IN WITNESS WHEREOF this Debenture has been executed as a deed and is delivered the day and year first above written.

Schedule 1
Freehold and Leasehold Registered Titles

Property Reference	Short Name	Title number	Address from OCE	F/H or L/H
PH151	Shefford	BD271358	The Shefford Health Centre, Robert Lucas Drive, Shefford (SG17 5FS)	L
PH472	Eastbourne - Victoria Gardens	(1) EB5678 (2) ESX206464 (3) ESX182895	(1) Bowling Green, Victoria Drive, Eastbourne BN20 8NH (2) Land adjoining The Victoria Drive Bowls Club, Victoria Drive, Eastbourne (3) Land at the back of 8-10 Victoria Gardens, Eastbourne	F
PH293	Ipswich	(1) SK360175 (FH) (2) SK360176 (LH)	(1) Land on the south side of Woodbridge Road, Ipswich (2) Land lying to the south of Woodbridge Road East, Ipswich	F AND L
PH440	Morley	(1) WYK583972 (2) WYK886765	(1) The Fountain Medical Centre, Little Fountain Street, Morley, Leeds LS27 9EN (2) Land lying to the east of Little Fountain Street, Morley, Leeds	L
PH088	Norwich - St Stephens	NK324282	Land on the south side of Wessex Street, Norwich	L
PH468	Watford - Sheepcot	HD562924	Units 8 and 9 New Local Centre and Sheepcot Medical Centre, 6 Cunningham Way, Leavesden, Watford WD25 7NL	L
PH523	Cardiff - Crwys (Sarak)	(1) WA131603 (2) CYM208612	(1) Land lying on the north side of Wedal Road, Cardiff (2) The Crwys Surgery, Wedal Road, Cardiff, CF14 3QX	F
PH184	Dover	K801633	Health Centre, Peter Street, Dover (CT16 1EF)	F
PH179	Poole	DT72048	Land on the north side of King John Avenue, Bearwood, Bournemouth	F
PH090	Dumbledore	WSX298005	Land on the west side of Brighton Road, Handcross, Haywards Heath	F
PH105	Kirkintilloch	Scottish DMB2214	Subjects on the north west side of Union Street Kirkintilloch registered in the Land Register of Scotland under title number DMB2214	F

PH038	Farringdon	ON225634	Land lying to the north east of Park Road, Farringdon	F
PH057	Winchcombe	GR265457	Winchcombe Medical Centre, Greet Road, Winchcombe, Cheltenham (GL54 5GZ)	F
PH378	Rochdale	MAN196917	Land on the west side of Oldham Road, Rochdale	F
PH034	Smethwick	(1) WM730987 (2) WM722323	(1) Cape Hill Medical Centre, Raglan Road, Warley (2) Land on the west side of Raglan Road, Warley	F
PH166	Old Arley	WK463197	Spring Hill Medical Centre, Phil Collins Way, Arley, Coventry (CV7 8FD)	F
PH282	Gateshead - Fell Tower	TY143263	575-583 Durham Road, Gateshead (NE9 5EY).	F
PH503	Lenham	K870681	Len Valley Medical Centre, 1 Groom Way, Lenham, Maidstone (ME17 2QQ)	F
PH016	Bourne - Hereward	LL150588	Hereward Group Practice, Exeter Street, Bourne (PE10 9XR)	F
PH504	Long Stratton	NK298790	Swan Lane Surgery, Swan Lane, Long Stratton, Norwich (NR15 2UY)	F
PH510	Redcar	CE154565	The Medical Centre, 20 Kirkleatham Street, Redcar (TS10 1TZ)	F
PH514	Sutton Bridge	(1) LL243236 (2) LL234236	(1) Land adjoining Railway Lane Industrial Estate, Railway Lane, Sutton Bridge, Spalding (2) Sutton Bridge Medical Centre, Railway Lane North, Sutton Bridge, Spalding PE12 9LP	F
PH046	Yeovil	WS18722	Land on the east side of Marsh Lane, Yeovil	F
PH496	Epsom	SY821006	Office Premises, Windsor Court, 9 Ashley Road, Epsom KT18 5AQ	L
PH432	Prenton	MS338796	The Villa Medical Centre, Roman Road, Prenton CH43 3DB	F
PH276	Crouch End	EGL345966	Ground Floor Surgery, 50-66 Park Road, Hornsey (N8 8SU)	L
PH435	Buckley	CYM608134	Buckley Medical Centre, Alltani Road, Buckley CH7 3PG	L
PH363	Halifax - Boulevard	WYK815647	The Boulevard Medical Practice, 116 Savile Park Road, Halifax (HX1 2ES).	F

Schedule 2
Form of Insurer's Notice of Assignment and Charge

To: [INSURANCE COMPANY]
From: [●]
Address: [●]
Copied to: [●]
Date: [●]

Dear Sirs,

Debenture dated [●] between, among others, [●], as the Chargor, and [●] as Security Trustee (the "Debenture")

1. We give you notice that we have assigned and charged to the Security Trustee for and on behalf of the Secured Parties (as defined therein) under the Debenture all of our right, title and interest in and to the following policies:
2. [Details of policies] (the "**Insurance Policies**"). The term "**Insurance Policies**", as used in this notice and the enclosed acknowledgment of this notice, includes any renewal (annual or otherwise) of the Insurance Policies.
3. We further notify you that: -
 - (a) the Chargor may not terminate the Insurance Policies without the prior written consent of the Security Trustee;
 - (b) subject to paragraph (a) above you may continue to deal with the Chargor in relation to the Insurance Policies until you receive written notice to the contrary from the Security Trustee (where the Security Interests created under the Debenture have become enforceable). Thereafter the Chargor will cease to have any right to deal with you in relation to the Insurance Policies and therefore from that time you should deal only with the Security Trustee;
 - (c) you are authorised to disclose information in relation to the Insurance Policies to the Security Trustee upon their reasonable request;
 - (d) following notice from the Security Trustee that the Security Interests created under the Debenture have become enforceable, you must hold all sums from time to time due and payable by you to the Chargor under the Insurance Policies to the order of the Security Trustee;

- (e) you will pay or release all monies to which the Chargor is entitled under the Insurance Policies to the Company until the Security Trustee directs otherwise (where the Security Interests created under the Debenture have become enforceable);
 - (f) the provisions of this notice may only be revoked with the written consent of the Security Trustee; and
 - (g) the Chargor will remain liable to perform all its obligations under the Insurance Policies and neither the Security Trustee nor any receiver, delegate or sub-delegate appointed by it shall have any liability under the Insurance Policies.
4. Please sign and return the enclosed acknowledgment of this notice to the Security Trustee (with a copy to the Company) by way of confirmation that:-
- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
 - (b) you have not received notice that the Company has assigned its rights under the Insurance Policies to a third party or created any other interest (whether by way of security or otherwise) in the Insurance Policies in favour of a third party; and
 - (c) you will pay any sums payable to the Company or any other person under or pursuant to the Insurance Policies in accordance with this notice.
5. All rights, interest and benefits whatsoever accruing to or for the benefit of ourselves arising from the Insurance Policies belong to the Security Trustee.
6. This letter is governed by English law.

Yours faithfully

.....
for and on behalf of

[●]

Schedule 3
Form of Insurer's Acknowledgement

To: [●]

From: [●]

Date: [●]

Dear Sirs,

Debenture dated [●] between, among others, [●] as the Chargor and [●] as Security Trustee (the "Debenture")

1. We refer to a notice of charge from the Chargor dated [] in connection with the Debenture (the "**Notice**") and to the following insurance policies held with us:
[insert details]
2. At the request of the Security Trustee and the Chargor we acknowledge receipt of the Notice.
3. This letter is governed by English law.

Yours faithfully

.....
for and on behalf of
[INSURANCE COMPANY]

Schedule 4
Notice and Acknowledgement – Charged Account

Part 1
Form of Notice

[On the letterhead of the Company]
[BANK, FINANCIAL INSTITUTION OR OTHER PERSON]
[ADDRESS LINE 1]
[ADDRESS LINE 2]
[POSTCODE]
[DATE]

Dear Sirs,

Debenture (Debenture) dated [DATE] between [CHARGORS] and [SECURITY TRUSTEE]

This letter constitutes notice to you that under the Debenture [(a copy of which is attached)] we have charged, by way of first fixed charge, in favour of [SECURITY TRUSTEE] (the "**Security Trustee**") all monies from time to time standing to the credit of the account held with you and detailed below (the "**Account**"), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest):

Name of Account: [NAME OF ACCOUNT]
Sort code: [SORT CODE]
Account number: [ACCOUNT NUMBER]

We irrevocably instruct and authorise you to:

- disclose to the Security Trustee any information relating to the Account requested from you by the Security Trustee;
- comply with the terms of any written notice or instructions relating to the Account received by you from the Security Trustee;
- following notice to you from the Security Trustee that the Security Interests created under the Debenture have become enforceable, hold all sums from time to time standing to the credit of the Account to the order of the Security Trustee; and
- pay or release all or any part of the monies standing to the credit of the Account in accordance with the written instructions of the Security Trustee.

We acknowledge that you may comply with the instructions in this notice without any further permission from us.

The instructions in this notice may only be revoked or amended with the prior written consent of the Security Trustee.

In certain limited circumstances set out in a note purchase agreement entered into between us and the Security Trustee on or around the date of the Debenture, or with the express consent of the Security Trustee, we are permitted to withdraw amounts from the Account. You will have no obligation to assess whether those limited circumstances apply or whether the Security Trustee has provided such express consent (for the avoidance of doubt you shall have no liability for making such withdrawal when acting on the instructions of the Security Trustee or the Company), save that no such withdrawal may be made, or be permitted (by you) to be made, by us if the Security Trustee notifies you that the Security Interests created under this Debenture have become enforceable or if the Security Trustee otherwise instructs.

This notice, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to the Security Trustee at [ADDRESS OF SECURITY TRUSTEE], with a copy to us.

Yours faithfully

.....
for and on behalf of

[NAME OF COMPANY]

Part 2
Form of acknowledgement

[On the letterhead of the bank, financial institution or other person]

[SECURITY TRUSTEE]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear Sirs,

Debenture dated [DATE] between [CHARGOR] and [SECURITY TRUSTEE] (the "Debenture")

We confirm receipt from [CHARGOR] (the "**Chargor**") of a notice (the "**Notice**") dated [DATE] of a charge (on the terms of the Debenture) over all monies from time to time standing to the credit of the account detailed below (the "**Account**"), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest).

We confirm that we:

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

The Account is:

Name of Account: [NAME OF ACCOUNT]

Sort code: [SORT CODE]

Account number: [ACCOUNT NUMBER]

This letter, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully

.....
for and on behalf of

[NAME OF BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

Schedule 5
Form of Security Accession Deed

THIS SECURITY ACCESSION DEED (this "**Deed**") is dated [●] and made between:

- (1) [●] (a company registered in England and Wales with number [●] (the "**New Chargor**")); and
- (2) [●] (a company registered in England and Eales with number [●]) as security trustee for the Secured Parties (the "**Security Trustee**")

RECITAL:

This Deed is supplement to a Debenture dated [●] between, amongst others, PHP Euro Private Placement ML Limited, Primary Health Properties PLC and the Security Trustee, as previously supplemented and amended by earlier Security Accession Deeds (if any) (the "**Debenture**").

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Debenture shall have the same meaning when used in this Deed.

1.2 Construction

Clauses 1.2 (*Construction*) to 1.8 (*Security Trustee*) of the Debenture shall be deemed to be set out in full in this Deed, but as if references in those clauses to the "Debenture" and other similar expressions were references to this Deed.

2. ACCESSION OF NEW CHARGOR

2.1 Accession

The New Chargor agrees to be a "Chargor" for purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor.

2.2 Covenant to Pay

The New Chargor shall pay the Secured Obligations when due in accordance with the terms of the Transaction Documents.

2.3 Negative pledge and disposal restrictions

The New Chargor shall not at any time, except with the prior written consent of the Security Trustee:

- (a) create, purport to create or permit to subsist any Security Interest on, or in relation to, any Charged Asset other than any Security Interest created by this Deed or the other Transaction Documents;
- (b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Assets (other than in accordance with section 15 of the Note Purchase Agreement); or
- (c) create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party.

2.4 Mortgage, Fixed Charges and Assignments

- (a) The New Chargor, with full title guarantee and as continuing security for the payment of the Secured Obligations, charges, in favour of the Security Trustee by way of first legal mortgage the Properties located in England and Wales (short particulars of which are set out in Schedule 1 (*Freehold and Registered Leasehold Titles*), together with all improvements and additions thereto and all easements, rights and licences appurtenant thereto subject to and with the benefit of all existing leases, underleases, tenancies, agreements for lease, rights, covenants and conditions affecting the same but otherwise free from encumbrances to the intent that the same shall become part of the Charged Properties.
- (b) The New Chargor, with full title guarantee and as continuing security for the payment of the Secured Obligations, charges, in favour of the Security Trustee by way of a first fixed charge all its Insurance Policies, to the extent that they are not effectively assigned pursuant to Clause 2.4(c) below.
- (c) The New Chargor, with full title guarantee and as continuing security for the payment of the Secured Obligations, assigns absolutely (subject to the reassignment on redemption pursuant to Clause 20.3 (*Redemption*) of the Debenture) to the Security Trustee all rights, title and interest in its Insurance Policies and all proceeds and benefits (including all claims of any nature and any returns or premium) in respect of its Insurance Policies.

2.5 Floating Charge

- (a) The New Chargor, with full title guarantee, as continuing security for the payment of the Secured Obligations hereby charges in favour of the Security Trustee (as trustee for the Secured Parties) by way of floating charge the whole of its undertaking and all its property, assets and rights (including any uncalled capital), whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, charged or assigned to the Security Trustee under Clause 2.4 above, but excluding from the foregoing exception all undertaking, property and assets of the Chargor both present and future situated in Scotland or the rights that are governed by Scots law, all of which are charged by the floating charge hereby created.

- (b) The floating charge created pursuant to Clause 2.5(a) above by the New Chargor is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act 1986.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Security Trustee may appoint an Administrator to the New Chargor pursuant to that paragraph.

3. CONSTRUCTION OF DEBENTURE

- (a) The Debenture shall remain in full force and effect as supplement by this Deed.
- (b) The Debenture and this Deed shall be read together as one instrument on the basis that references in the Debenture to "this Deed" or "this Debenture" shall be deemed to include this Deed.

4. FAILURE TO EXECUTE

Failure by one or more parties ("**Non-Signatories**") to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other Parties who do execute this Deed. Such Non-Signatories may execute this Deed on a subsequent date and will thereupon become bound by its provisions.

5. NOTICES

The New Chargor confirms that its address details for notices in relation to Clause 24 (*Notices*) of the Debenture are as follows:

Address: [●]

Fascimile: [●]

Email: [●]

Attention: [●]

6. GOVERNING LAW

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

IN WITNESS WHEREOF this Deed has been executed as a deed and is delivered the day and year first above written.

SIGNATORIES TO SECURITY ACCESSION DEED

Executed as a deed by **[NEW CHARGOR]**)
acting by a director in the presence of:) Director

Signature of Witness:

Name of Witness:

Address of Witness:

Executed as a deed by affixing the Common)
Seal of **[SECURITY TRUSTEE]** in the) Sealing Officer
presence of:

Signature of Witness:

Name of Witness:

Address of Witness:

EXECUTION PAGE

Executed as a deed by **PHP EURO**
PRIVATE PLACEMENT ML LIMITED
acting by a director in the presence of:

Director

Signature of Witness:

Name of Witness:

Address of Witness:

MANMEET KAUR

10 GUILDFORD ST

STAINES - UPON - THAMES

TW18 2EQ

Executed as a deed by affixing the Common)
Seal of **M&G TRUSTEE COMPANY**)
LIMITED in the presence of:

Signature of Witness:

Name of Witness:

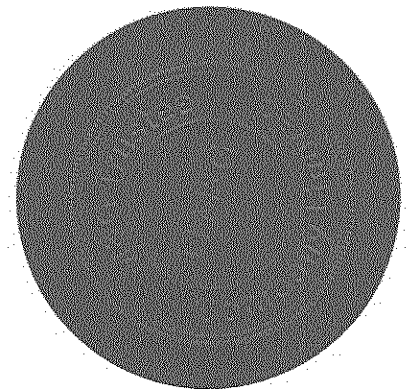
Address of Witness:

Alex Kerr

Sealing Off

DAVID RAINBIRD

GRAVESEND, DALL 8PX



Executed as a deed by **PRIMARY**)
HEALTH PROPERTIES PLC acting by a)
director in the presence of:



Director

Signature of Witness:



Name of Witness:

MANMEET KAUR

Address of Witness:

10 GUILDFORD ST
STAINES -UPON- THAMES
TW18 2EQ